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Motor Freight Lines Take Business from Established Warehouses

National Survey Shows Loss of Storage Accounts, Pool Car Handling and Cartage Revenue in Numerous Cities. Executives Discuss Control or Cooperation to Meet Problem Created by Evolution in Distribution

By KENT B. STILES

EXECUTIVES in more than twenty cities state that they have lost storage accounts to motor freight lines which have established depots that are being used in part for warehousing purposes. Executives in forty centers report loss of cartage and drayage, or elimination of pool car distribution, or inroads on L.C.L. hauling, or increase in handling costs, or decrease in handling charges, due to motor truck line competition. Executives in eighty cities have noted shippers showing disposition to favor, and in some instances demanding, distribution by motor freight lines.

¶ This information comes direct to *Distribution and Warehousing* in response to a questionnaire which was sent to every merchandise warehouse company in the United States.

¶ It is information which confirms statements, earlier published as a result of a personal inquiry which the writer made in various cities during this past summer, to the effect that motor freight line competition is the gravest problem which confronts public commercial warehousing today.

¶ The facts as set forth in the opening paragraph above speak significantly for themselves. Just as motor lines have been displacing railroad service in short-haul distribution, so the depots established by the same motor lines are beginning to displace established warehouse service.

¶ "Are beginning to" is not exactly the situation. In some communities they have already done it.

¶ The motor freight lines first operated trucks, and detracted from warehousemen's hauling revenue. They next created depots, and lured away many warehousemen's local cartage and pool car distribution business.

Their third step was to convert depot space to warehousing space, and take away warehousemen's storage accounts.

¶ It is this third step—the development of which prompted *Distribution and Warehousing's* national survey—which is the industry's "menace" as 1929 draws to a close.

¶ The stride is one which is lengthening. The very wording of the replies to the questionnaire proves that most of those warehousemen who have studied the situation recognize that the trend of distribution involves expansion of use of motor freight lines.

¶ As these lines broaden their business and erect depots, new potential warehouses automatically come into existence. Such motor-warehouses have already been reported by storage executives as having taken away accounts.

¶ The "remedy" appears to be in warehouse control of, or cooperation with, the motor freight lines now operating.

¶ "We must," H. A. Haring told a group of Missouri, Oklahoma and Kansas warehouse executives at a convention in Kansas City last month, "do what our boys in Europe did ten years ago—draw up our belts on our hungry stomachs and go in for another fight." See Mr. Haring's discussion of the subject, beginning on page 20.

¶ In Texas, as recounted on page 49, the State warehousemen's association has taken initial action toward meeting the situation.

¶ And on pages 8 to 17 inclusive are set down the experiences, opinions, viewpoints and theories of storage executives as told to *Distribution and Warehousing* in reply to the ten questions which are the basis of the national survey.

A Summary of Motor Freight Line Development

Question No. 1

Is your company engaged in motor transport of merchandise on regular schedule between two or more centers?

Warehousemen reported operating such service in the following cities:

Corvallis, Ore.	Hartford, Conn.	Omaha
Dallas	LaCrosse, Wis.	Sioux City, Iowa
East Chicago, Ind.	Long Beach, Cal.	Sheffield, Ala.
Fond du Lac, Wis.	Marion, Ohio	Topeka, Kan.
Fort Wayne, Ind.	Newark, N. J.	Waltham, Mass.
	Oakland, Cal.	Watertown, N. Y.

Plans for such service are being made by warehousemen in:

Chattanooga	Ottumwa, Iowa
Knoxville	Richmond, Va.

THE accompanying table shows that warehousemen in seventeen cities reported operating motor freight lines on regular schedules and that plans are being made in four other cities.

In Hartford such service is daily to Boston, Springfield, Holyoke, Northampton, Westfield, Worcester, Meriden and Bridgeport, operated by the Hartford Despatch & Warehouse Co., which also makes up loads every few days for transport to towns within a 50-mile radius.

In Waltham, Mass., the Gibbs Express Co. operates between Boston and Waltham, Watertown, Weston and Wayland.

In Newark, N. J., the Essex Warehouse Co. has lines, some operated on regular schedule, at distances from 25 to 75 miles.

In Watertown, N. Y., the Winslow Trucking Co., Inc., has trucks on regular schedule of L. C. L. work for the New York Central.

In East Chicago, Ind., the Quick Service Express operates regularly to Hammond, Whiting, Indiana Harbor, Gary and Michigan City.

In Fort Wayne, Ind., the Mitchell Sales & Storage Co. operates such service. "We have found this to be a satisfactory asset to our warehouse in many ways," writes J. R. Mitchell, president. "We find a growing demand on the part of retailers, making motor truck distribution, and a year ago I thought it would be a valuable asset to have the control of such a terminal within our warehouse, so we went about securing such a distribution and we found it necessary to help organize into a responsible terminal."

In Marion, Ohio, the Merchants Transfer Co. operates daily service to Lima, Columbus, Mansfield, Toledo and intermediate points.

In Fond du Lac, Wis., the Du Frane Line, notwithstanding its name, is an established warehouse firm, with membership in the National Furniture Warehousemen's Association and the Wisconsin Warehousemen's Association. It holds a controlling interest in the Northern Transportation Co., which operates day and night scheduled service from Green Bay to Milwaukee, Manitowoc and other points. Stations have been established, in each city, with an agent at each, the

Phoenix Freight Line Finds Necessity "to Assign Space for Storage"

ALABAMA'S FREIGHT CO., INC., Phoenix, Ariz., operates the largest motor freight line system in the State. Under certificate of public convenience and necessity from the Arizona Corporation Commission the Alabama trucks cover 630 miles of road and tap thirty-four cities and towns with daily service.

The Alabam firm has just completed "the most modern motor freight depot in the State," to facilitate handling of freight distributed out of Phoenix over the company's lines. The traffic manager, Earl K. Cone, writes:

"We are receiving regularly carloads of merchandise for distribution in Phoenix and to points on our lines."

"Our freight lines have developed to the place when it is necessary for us to assign space for storage for the convenience of our shippers, and we believe the combination of storage and our distributing facilities to be ideal for concerns entering the rich Arizona markets."

The Alabam company, accordingly, now operates warehousing. In its motor freight depot space has been set aside for storage of both merchandise and household goods.

operation somewhat resembling that of the rail carriers.

In La Crosse, Wis., the Gateway City Transfer & Storage Co., Inc., operates a daily service, Sunday excepted, to Decorah and Waukon, both in Iowa, with loads ranging from 3 to 6 tons, and is planning expansion within a few months. "We find that our business is increasing every day," writes J. H. Wagner, secretary.

In Ottumwa, Iowa, the Daggett-Haw Co. recently applied to the State Board of Railroad Commissioners for a certificate to operate to Marshalltown, 125 miles away.

In Sioux City, Iowa, the Bekins Van & Storage Co. has been operating a motor freight line to Omaha for seven months. Freight rates are low and "the run is not profitable," according to Paul Bekins, vice-president. The service was started in order to meet motor freight line competition.

In Topeka the Topeka Transfer & Storage Co. operates a line to Kansas City, this service having been inaugurated

about a year ago "with the purpose of protecting our local distribution," E. F. Dean, the secretary, writes.

In Omaha the Gordon Fireproof Warehouse & Van Co. is interested in a subsidiary known as the Midwest Freight Line. This line operates a daily service to Kansas City, Mo., and intervening towns.

In Richmond, Va., the Bowman Transfer & Storage Warehouse Co. is planning to establish a line on regular schedule to points in North Carolina, in connection with its warehouse business, according to Clarence Wyatt, Jr., manager. The firm's storage plant will be used as a depot. "We can see the possibilities very readily," Mr. Wyatt comments.

In Sheffield, Ala., the A. G. Milam Transfer & Storage Co. operates lines from Florence through Sheffield to Double Springs and from Florence through Sheffield to Decatur with connections to Birmingham and Montgomery.

In Knoxville, Tenn., the Knoxville Fireproof Storage Co. has tentative plans for establishing motor freight lines from a depot which, with the land, may cost as high as \$125,000 to build. "Every line operating out of Knoxville has agreed to come to us if we build this terminal," writes Eugene Gaylord, president. "We control quite a large amount of distribution and we have recognized for some time that if we did not get into this business some one else would." Mr. Gaylord recently made a trip of inspection to various modern terminals in order to acquire information on construction, operation and management.

In Chattanooga, Tenn., the Chattanooga Warehouse & Cold Storage Co. is contemplating establishing a terminal.

In Dallas the Dallas Transfer & Terminal Warehouse Co. operates between Fort Worth and Dallas a Class A line regulated by the State Railroad Commission; and the Interstate Fireproof Storage & Transfer Co. operates service on schedule.

In Long Beach, Cal., the City Transfer & Storage Co. operates regular service, under State Railroad Commission jurisdiction, to Los Angeles, Wilmington and San Pedro.

In Oakland, Cal., the Drayage Service Corporation, operated by the Oakland Warehouse Terminal Co., serves eleven cities and towns in the San Francisco metropolitan area.

In Corvallis, Ore., the Farmers & Merchants Motor Transport, Inc., which is engaged in merchandise and household goods warehousing, operates regular motor freight schedules.

Most of the companies which replied to Question No. 1 operate trucks on irregular schedule or have hauling done for them by arrangement with local truck companies which operate irregularly or with established motor freight lines which have schedules.

Based on Warehousing's Experience and Views

IN the accompanying table it is shown that companies in more than thirty cities report motor freight lines using established warehouses for terminal purposes. In various communities, freight line operators have sought to make such connection, but have been denied. Some of the situations, in brief, are as follows:

Several lines entering Hartford transfer freight to, and receive freight from, the Hartford Despatch & Warehouse Co. To cover handling in and out, the lines pay a handling charge of \$1 a ton in addition to a pick-up charge.

Somewhat similar conditions are reported by The Smedley Company, New Haven, which during the day gathers local freight, which the freight line trucks call for each night, at the same time delivering goods to Smedley for local distribution.

The Essex Warehouse Co., Newark, N. J., does "not permit" the practice.

In some cities the motor freight lines call for goods at the direct request of the shippers storing the goods.

While the plant of the King Storage Warehouse, Inc., Syracuse, N. Y., is not used as a terminal, about fifteen inter-urban truck lines call at the warehouse platforms for stocks in storage.

In Wilkes-Barre, Pa., the Lehigh Valley Railroad uses as a terminal the building of the Matheson Warehouse Co.

Two freight lines operating through Bloomington, Ill., made overtures to the Johnson Transfer & Fuel Co., but the arrangements never went through.

In Chicago the Chicago Motor Express Terminal, Inc., uses a freight house owned by interests associated with the Railway Terminal & Warehouse Co. From this plant, at 361 West Illinois Street, goods are consolidated for shipments, by nearly 40 freight lines, to more than 300 towns in Illinois, Indiana, Iowa, Ohio, Michigan, Missouri and Wisconsin.

In Duluth a truck line operated co-operatively by fruit and vegetable commission houses makes the McDougal Terminal Warehouse its headquarters and also solicits outside trucking business.

Practically all the motor freight lines operating out of Minneapolis and St. Paul are centered in one or two terminals, both of which are operated by warehouse companies, writes J. E. Edlee, St. Paul general agent for the Judson Freight Forwarding Co., and—

"Unquestionably these freight lines are very beneficial, not only to the companies in whose warehouses they terminate, but to all other warehouse companies in the Twin Cities, for the reason that they bring the warehouse concerns closer to the dealers in the surrounding communities. There are very few points served by truck in Minnesota where freight is not delivered early the morning following the date of shipment, and inasmuch as all of these truck lines make

Question No. 2

Do any motor freight lines in which you are not financially interested make use of your facilities for terminal purposes?

Warehousemen report such use in the following cities:

Abilene, Tex.	Fort Wayne, Ind.	New York City
Albany, N. Y.	Fresno, Cal.	Omaha
Anniston, Ala.	Grand Rapids, Mich.	Rock Island, Ill.
Asheville, N. C.	Hartford, Conn.	San Antonio
Boise, Idaho	Indianapolis	Spokane
Chattanooga	Jacksonville	St. Paul
Columbus	Knoxville	St. Louis
Corvallis, Ore.	LaCrosse, Wis.	Tacoma
Dallas	Milwaukee	Tampa, Fla.
Duluth	New Haven, Conn.	Tyler, Tex.
Fond du Lac, Wis.		Wilkes-Barre, Pa.

delivery direct to the consignee's place of business, it has the same effect as a local delivery service."

In Jacksonville, Fla., a truck line uses the warehouse of the Laney & Delcher Storage Co., Inc., as a terminal. A. H. Laney, president of the warehouse firm, comments:

"Our State has just passed a law putting all common carriers who do hauling on the public highways outside city limits under the State Road Commission and taxing them 2c. per mile for the use of the highways. This has made it impossible for some truck lines to do business. We have the highest automobile license rate in the country. Therefore it is not very profitable for truck lines doing business in Florida. The State Supreme Court is now testing the new law."

In Tampa the Lee Terminal and Warehouse Corporation leases space to a motor transport line which covers virtually all points within a radius of 75 miles from the warehouse.

In Dallas the Dallas Transfer & Terminal Warehouse Co. engages a motor freight line to do all of its pick-ups and deliveries and is negotiating with another line to render similar service.

R. T. Bekins of the Bekins Van & Storage Co. in Fresno, Cal., reports that "fully 50 per cent of the goods we store are brought in and redistributed to other valley points at more or less regularly authorized motor freight control."

The Oakland Warehouse Terminal Co., Oakland, does "not permit motor freight lines in which we are not interested to make use of our terminal facilities."

Several small freight lines have negotiated with the Haslett Warehouse Co., San Francisco, for space, generally one or two thousand feet, for receiving purposes, but "no business has developed," according to S. M. Haslett, president.

In Spokane a truck line brings merchandise to the Beardmore Transfer Line, a warehouse firm, for one of the Beardmore's customers.

Question No. 3

Are there any motor freight terminals in your city that have developed any warehousing business?

Warehousemen report motor terminals operating warehousing—storage or pool car distribution, or both—in the following cities:

Abilene, Tex.	Grand Junction, Colo.	Portland, Ore.
Alamosa, Colo.	Grand Rapids, Mich.	Portsmouth, Va.
Albany, N. Y.	Hartford, Conn.	Rochester, N. Y.
Baltimore	Indianapolis	San Antonio
Boise, Idaho	Kansas City	Spokane
Boston	Lincoln, Neb.	St. Paul
Buffalo	Los Angeles	St. Petersburg, Fla.
Charlotte, N. C.	Milwaukee	Syracuse, N. Y.
Corpus Christi, Tex.	Minneapolis	Tacoma
Corvallis, Ore.	Newark, N. J.	Tampa
Dallas	New York City	Topeka
Duluth	Oklahoma City	Trinidad, Colo.
Everett, Wash.	Orlando, Fla.	Utica, N. Y.
Fond du Lac, Wis.	Philadelphia	Wichita, Kan.
	Phoenix, Ariz.	Wilkes-Barre, Pa.

Motor freight lines are reported about to establish warehousing in Cadillac, Mich., and Pittsburgh, Pa.

THE accompanying table discloses that storage executives in more than 40 cities report that motor freight terminals have developed warehouse business.

In Hartford "they are not doing any great amount of warehouse business,"

according to Edward G. Mooney, president of the Hartford Despatch & Warehouse Co., "but I think they would if the opportunity presented itself."

E. A. Balcom of the Gibbs Express Co., Waltham, Mass., reports that "great mo-

tor fleets operate from Boston now, and have their terminals where they can store and distribute at a price much lower than we could consider."

In Newark, N. J., motor freight lines are storing "on a carload distribution basis," according to F. S. Shafer, secretary of the Essex Warehouse Co.

It is being done "on a small scale" in Albany, N. Y., writes C. C. Geyer, manager of the Central Railway Terminal & Cold Storage Co., but "they cannot enlarge without the expenditure of considerable capital; that is not likely."

In Syracuse, N. Y., it is being done, according to R. M. King, president of the King Storage Warehouse, Inc., and "this terminal is soliciting business now handled by established merchandise warehousemen."

In Indianapolis, according to Norman Metzger, vice-president of the Indiana Terminal Warehouse Co., several smaller freight terminals have developed a warehousing business, "but up to the present time the competition has not been noticed, because they are mostly in small buildings not well located for warehouse business." Several other Indianapolis firms report the practice.

Two lines on Grand Rapids "handle a storage business of approximately \$15,000 each per year," writes B. C. Hubbard, general manager of the Richards Storage Corporation. However, the two lines he mentions are listed, in the annual

Warehouse Directory, as being engaged in merchandise warehousing.

In Wichita a stage line operates a motor freight terminal which, while it does no storing, has been known "to handle pool cars and distribute," according to Walter G. Wintle, president of the Central Warehouse & Storage Corp.

A combination steamship - motor freight depot has developed some warehouse business in Orlando, Fla., writes L. M. Robertson, president of the Fidelity Storage & Warehouse Co.—and he adds the significant words: "but seemingly no charge for it."

In Dallas "practically every motor freight terminal which has developed into a growing business has entered more or less into the warehousing business," reports E. D. Balcom, president of the Dallas Transfer & Terminal Warehouse Co.

In Alamosa, Colo., the two motor freight line terminals which have developed warehousing are "small, but growing rapidly," according to Emerson E. Jones, secretary of the W. A. Jones Transfer Co.

W. E. Fessenden, president of the California Warehouse Co., Los Angeles, writes that the Los Angeles Warehousemen's Association is "appearing before the Railroad Commission in three or four instances in an effort to forestall the granting of franchises to truck companies to handle the warehouse business."

subsidiary, just recently commenced operating a line of motor trucks, and generally the rates charged are ridiculously low.

In central New York an electric trolley line between Syracuse and Utica has handled a large volume of freight by truck for several years, writes Ray M. King, Syracuse; while in Utica, according to F. J. Trosset, vice-president of the Broad Street Warehouse Corp., the Utica Railway Motor Express owns and operates trucks and has a fair-sized depot.

Joseph E. Headley, assistant manager of Headley's Express & Storage Co., Inc., Chester, Pa., reports that the Pennsylvania Railroad has a working agreement with Scott Brothers, Philadelphia, for pick up of freight in various Pennsylvania and Delaware towns. Other Pennsylvania warehousemen express opinion that railroad and traction lines are secretly interested in motor freight depots.

Several Indiana executives report that railroads are seemingly interested in motor freight lines which are operating, and similar statements come from Michigan. In Detroit, the Detroit United Railway, an electric suburban line, owns and operates motor freight lines, according to James D. Dunn, president of the Riverside Storage & Cartage Co. The Southern Michigan Transportation Co., operating trucks south and east from Grand Rapids, is understood to be railroad-controlled, Grand Rapids executives write, the truck having displaced the electric car.

In southern Ohio the Pennsylvania Railroad "is making preparations to handle motor freight to and from Cincinnati," according to F. W. Berry, manager of the Baltimore & Ohio Warehouse Co., Cincinnati.

In Wisconsin the La Crosse & South Eastern Railroad operates motor freight service from Viroqua to various points, writes J. H. Wagner, a La Crosse warehouseman. In Milwaukee the Chicago North Shore operates a van trailer system for loads and discharges merchandise at store doors, according to Anthony L. Fischer, manager of the Atlas Storage Co., while a traction line uses motor truck depot and service at various connecting points.

In Iowa the Northwestern Railroad is financially interested in motor freight lines operating from Sioux City into South Dakota, reports Paul Bekins, Sioux City.

In Nebraska there are rumors of Union Pacific activity.

In Orlando, Fla., according to L. M. Robertson, the Florida Motor Lines carry freight in compartments in buses. Bus lines out of Tampa handle freight, writes Sidney A. Smith, manager of the Lee Terminal & Warehouse Corp., while the Florida Railway & Navigation Co. operates trucks to inland points.

In Baltimore, according to T. E. Witters, president of the Baltimore Fidelity Warehouse Co., one rail line has a large fleet of trucks used principally for local hauling but caring for some business to and from points between Baltimore and Washington.

In Arkansas the St. Louis Southwest-

Question No. 4

Are the railroads or traction lines engaged in or financially interested in the motor freight depots or lines in your territory?

Warehousemen report such connection—either definite or planned or rumored—in the following cities:

Alamosa, Colo.	Grand Rapids, Mich.	Philadelphia
Baltimore	Hartford, Conn.	Portsmouth, Va.
Battle Creek, Mich.	Indianapolis	Providence, R. I.
Bethlehem, Pa.	LaCrosse, Wis.	Roseburg, Ore.
Boston	Lansing, Mich.	San Antonio
Charlotte, N. C.	Little Rock, Ark.	San Francisco
Chester, Pa.	Long Beach, Cal.	Sedalia, Mo.
Dallas	Los Angeles	Sioux City, Iowa
Detroit	Memphis	Syracuse, N. Y.
Cincinnati	Milwaukee	Tacoma
Colorado Springs	New Bedford, Mass.	Tampa
Corvallis, Ore.	New Haven, Conn.	Tyler, Tex.
Fond du Lac, Wis.	New York City	Utica, N. Y.
Fort Wayne	Omaha	Waltham, Mass.
Grand Junction, Colo.	Orlando, Fla.	Wichita, Kan.

THAT motor freight competition by rail or traction lines, steamship and bus interests, etc., has developed in some sections and is threatened in others, is the testimony of about 45 of the storage executives who answered Question No. 4.

The Connecticut Company, a subsidiary of the New York, New Haven & Hartford, is operating trucks, without advertising the service, according to Edward G. Mooney, Hartford, who comments: "I think they are just simply feeling their way, and as soon as they find that they are not going to be confronted with any red tape by the Interstate Commerce Commission or the public utilities they will then endeavor to put through a daily service."

Trolley cars are carrying freight and express regularly and either supplying

local deliveries or placing the goods in small buildings at which the consignees call, in various Connecticut towns, reports William R. Palmer, New Haven, secretary of the Connecticut Warehousemen's Association.

Warehousemen in Massachusetts cite the Boston & Maine Transportation Co., a subsidiary of the Boston & Maine Railroad, hauling L. C. L. lot by motor truck to and from Boston. The New England Steamship Co. has a terminal in New Bedford and operates truck service to Fall River, writes John J. Gobell, general manager of the New Bedford Storage Warehouse Co. The same steamship line is operating similarly out of Providence, R. I., according to P. F. Arnold, president of the Cole Teaming Warehouse Co., Providence, while the New England Transportation Co., a N. Y., N. H. & H.

ern, a rail carrier, has discontinued local freight trains, is depending entirely on trucks, and uses its Little Rock freight depot for assembling and receiving freight, reports S. J. Beauchamp, president of the Terminal Warehouse Co., Little Rock.

In Dallas, according to E. D. Balcom, the Southwestern Transportation Co., a subsidiary of the Cotton Belt Railway, is coordinating motor freight movement with the Cotton Belt's rail operations.

STORAGE executives in nearly 40 cities report that motor freight line competition has affected their business in various ways, as the accompanying table shows.

For the past year motor operators have called at the Hartford Despatch & Warehouse Co. with orders for shipments for delivery from the warehouse's stocks. It was this situation which prompted the Hartford firm to establish its own lines.

The competition has made serious inroads on the pool car distribution and small package freight business of the New Bedford Storage Warehouse Co.; national distributors, instead of consigning carloads through New Bedford, have to some extent made Boston their center and shipped out small lots daily from Boston by truck.

Writing from Waltham, Mass., E. A. Balcom says that the "motor freight lines have killed warehousing in this city from a standpoint of warehousing and distribution."

In Newark, N. J., the Philadelphia-to-Newark distribution of Essex Warehouse Co. has been affected.

In New York City the Shephard Warehouses report loss of L. C. L. cartage to warehouse.

In Syracuse interurban trucking has increased the handling costs of the Syracuse Storage Warehouse, Inc., and decreased trucking revenue.

Headley's Express & Storage Co., Inc., Chester, Pa., says less goods are being stored because of motor freight delivery from New York and Philadelphia, such goods being ordered from brokers and reaching consignees within 24 hours.

In Indianapolis the truck lines call at the Henry Coburn Storage & Warehouse Co. for goods, without additional charge for the pick-up, and this has resulted in loss of cartage revenue for Coburn. The Indianapolis Warehouse Co., Inc., has lost 10 per cent of its drayage earnings, many customers instructing "shipment when possible via truck line."

Most of the motor freight lines running through Battle Creek, Mich., deliver direct to local customers, causing inroads on the freight carting of the Battle Creek Storage Co. The Cadillac Storage & Transfer Co., Cadillac, has lost some L. C. L. freight hauling. In Grand Rapids the Columbian Storage & Transfer Co. has suffered "serious inroads" on cartage revenue, and B. Zevalkink, president, explains that "whereas formerly the warehouseman had the privilege of hauling all freight stored with him to the freight depots, now it is called for by the truck operators" and "the damage

In the lower Rio Grande Valley the Missouri Pacific is understood to be backing motor freight service, a Houston executive reports.

In Los Angeles the Pacific Electric Railway has established a door-to-door delivery service between Los Angeles and some 50 towns at "rates below the rail rates in some instances," according to W. E. Fessenden.

In San Francisco and Oakland, writes

S. M. Haslett, of the former city, the Southern Pacific has contracted for movement of its L. C. L. freight from receiving points to its main shipping shed, but has not yet made pick-ups from shippers' door or any store door delivery.

In Washington the Northern Pacific is planning to operate four motor freight lines, according to Matt Newell, president of the Pacific Storage Warehouse & Distributing Co., Tacoma.

Question No. 5

What effect on your warehousing business have you observed as a result of motor freight line development in your territory?

Warehousemen report loss of cartage and drayage, inroads on L. C. L. hauling, less freight to and from depot, etc., in the following cities:

Battle Creek, Mich.	Grand Rapids, Mich.	Rock Island, Ill.
Bloomington, Ill.	Hartford	San Antonio
Cadillac, Mich.	Houston	San Francisco
Chattanooga	Indianapolis	Syracuse, N. Y.
Colorado Springs	Little Rock, Ark.	Tacoma
Council Bluffs, Iowa	Los Angeles	Tampa
Fresno, Cal.	Newark, N. J.	Toledo, Ohio
Davenport, Iowa	New York City	Trinidad, Colo.
Dayton, Ohio	Oklahoma City	Tyler, Tex.
	Omaha	Washington, D. C.

Warehousemen in Los Angeles and in Watertown, N. Y., report added congestion and interference with hauling to depot; in Los Angeles, lowering of handling charges; in Syracuse, Dallas and Dayton, increased handling costs.

Loss of pool car distribution accounts is reported by warehousemen in the following cities:

Alamosa, Colo.	Corpus Christi, Tex.	Red Oak, Iowa
Chattanooga	New Bedford, Mass.	Waltham, Mass.
Cleveland		Watertown, N. Y.

Warehousemen in some cities report loss of storage accounts. See Question 9-B.

to revenue is irreparable." B. C. Hubbard, another Grand Rapids executive, comments that "the possibilities are that it will materially influence the warehousing business."

In Cleveland, W. R. Turner, vice-president of the Lincoln Storage Co., reports merchandise warehousing affected, "as shipper and retailer are afforded store door delivery and it is not necessary to carry as large a stock of merchandise as formerly." In Dayton, according to Edward Wuichet, president of the Union Storage Co., delivery costs, affecting both carload and L. C. L. shipments, have been increased, and cartage revenue has been lost. In Toledo the cartage earnings of the Toledo Terminal Warehouse, Inc., has found its cartage revenue reduced because customers demand pick-up of goods, at warehouse, by truck companies without extra charge.

In Iowa, the Interstate Transfer & Storage Co., Council Bluffs, has lost handling charges; G. H. Bacon, manager, explains: "Where we used to receive in carloads, we now receive by truck. The trucks will stop at our warehouse and unload a part of the shipment for distribution in case of quick delivery for customers in Iowa. They will then take the balance of the load on to Iowa points thereby saving the warehouse and handling charge that we at one time would get." The effect on the Ewert & Richter Express & Storage Co., Davenport, is described by William Richter, secretary, as follows: "Considerable loss, less carload and L. C. L. freight in, followed by out of warehouse." Carl T. Haw, president of the Daggett-Haw Co., Ot-

tumwa, states that "already we have lost an exceptional account because they demand country delivery, which we are unable to give them." The Fisher Storage Co., Red Oak, Iowa, reports that "merchandise is handled cheaper by trucking from branch houses and factories in Omaha as needed instead of using warehouse facilities."

In Nebraska, the Sullivan Transfer & Storage Co., Lincoln, reports "less business and smaller stocks." The Ford Bros. Van & Storage Co., Omaha, has lost drayage hauls to depot because freight lines call at warehouse for goods, and the Terminal Warehouse Co., Omaha, has had the same experience.

In Florida, The Fidelity Storage & Warehouse Co., Orlando, has been deprived of potential business by reason of a combination steamship-motor freight line allowing goods to stay in its storage rooms, awaiting delivery, "almost indefinitely without charge for storage" and taking orders for delivery of such merchandise to other than the original consignees. Warehouse cartage has been reduced for the Lee Terminal & Warehouse Corporation, Tampa, and Sidney A. Smith, manager, writes that "motor freight line operation is undoubtedly one of the factors in the reduction of the size of orders, the outlying merchants ordering smaller quantities and more frequently."

The Harris Transfer & Warehouse Co., Birmingham, has received "several inquiries from large distributors," investigating motor line service, but the firm's business has not been affected.

In Chattanooga motor freight lines

have eliminated some of the Chattanooga Warehouse & Cold Storage Co.'s drayage to depot and "may possibly cut in on pool car distribution."

The development has resulted in loss to the Terminal Warehouse Co., Little Rock, Ark., by reason of the fact that a large tonnage is called for at the warehouse, thereby depriving the firm of shipping charges; "however," comments S. J. Beauchamp, president, "the two largest trucking lines pay us for making delivery to their freight terminals."

In Texas, the Corpus Christi Warehouse & Storage Co. has not lost any warehouse accounts but, writes Clair Richardson, assistant manager, "we have failed to get a number of new accounts for pool car distribution which have gone directly to the motor freight lines." The Dallas Transfer & Terminal Warehouse Co. has noted increased cost of making deliveries on account of the number of motor pick-up trucks calling at warehouse, whereas the firm's own trucks formerly made the deliveries. The Interstate Fireproof Storage & Transfer Co., also in Dallas, has found that "some pool cars formerly distributed through warehouses have drifted to motor freight lines." The Union Transfer & Storage Co., Houston, is losing "quite a large

revenue," L. G. Riddell, president, writes, "by reason of the motor truck lines calling at our warehouse for goods." Similar loss of drayage is reported by the Muegge-Jenull Warehouse Co. and the Scobey Fireproof Storage Co., both in San Antonio, and the Tyler Warehouse & Storage Co., Tyler. The Elkin Transfer & Storage Co., Wichita Falls, reports: "Very little new storage business account motor freight lines."

In Oklahoma City the Commercial Warehouse Co. says considerable drayage business has been lost.

In Colorado, the W. A. Jones Transfer Co., of Alamosa, has lost three good customers which once carried stocks and has been deprived of pool car handling and distribution business. The Wandell & Lowe Transfer & Storage Co. has noted "a big difference" in handling of L. C. L. freight from depots, "as most of the merchandise that moves out of the warehouses from Denver and Pueblo are now handled by the truck lines, which include store door delivery." The J. W. Milne Warehouse & Transfer Co., Grand Junction, reports that "motor freight lines have taken business we used to enjoy." The Couey Storage & Transfer Co., Trinidad, reports "less freight from depot and some storage loss."

In California, loss of local cartage is told of by the Bekins Van & Storage Co., Fresno. The California Warehouse Co., Inc., Los Angeles, reports that the effect has been "very adverse"—that "cartage rates are continually being lowered" and "hauling to depots is much interfered with." The Santa Fe Warehouse Co., also Los Angeles—Leo Phillips, manager, writing—says that "a portion of legitimate warehouse business is being handled by motor freight lines and we are losing the cartage business from warehouse to depot also." The Haslett Warehouse Co., San Francisco, has lost considerable drayage business on distribution "which we normally drayed to the railroad receiving sheds but which is now picked up at the warehouse by the motor freight lines," to quote S. M. Haslett, president.

The Farmers & Merchants Transport, Inc., Corvallis, Ore., has found its warehousing business "cut down 25 per cent."

The Pacific Storage Warehouse & Distributing Co., Tacoma, has lost distribution and cartage accounts.

Several of the writers report benefits from motor truck line operation. For the most part such executives are of companies which are operating such service as part of their businesses.

AS the accompanying analysis shows, about 78 per cent of the warehousemen answering Question No. 6 replied in the affirmative. Here are a few of the opinions:

Edward G. Mooney, president Hartford Despatch & Warehouse Co., Hartford, Conn.: "Most certainly the warehouse with an established motor freight service will have the call over any warehouse that does not have such a service for merchandise. I do not believe that in a few years any warehouse can expect to enjoy much business unless it either establishes or ties up with a motor freight line. This is going to make itself known, particularly in the handling of pool car shipments, and the national distributor is looking forward to reaching his market at the most economical figure, and if a warehouse can furnish him with an immediate pool car delivery within 50 to 75 miles it will most certainly get the business. While the warehouseman may lose some warehousing, that is something that the trend of the time is going to eliminate to a large extent, as in most cases the national distributor will run into pool car shipments."

George H. Lovejoy, North Station Terminal, Boston: "If you cover a 9-to-15-mile radius you can build a good motor freight service. Many national distributors carry a stock in another city 40 miles away to take care of local consumers within a radius of 15 miles of that city, so that points within a 75-mile to 100-mile radius would be handled by other cities. It is also difficult to accumulate enough tonnage to make a daily delivery with a 75-to-100-mile radius, and one or two deliveries a week would not give the shipper the service he would require. An overland trucking concern can pick up from hundreds of concerns

Question No. 6

Looking ahead a few years, do you believe the warehouse with a well established motor freight service, radiating to all points within 75 or 100 miles, will have an advantage over the warehouse without such service?

This query was answered by 169 warehousemen. Of these, 132, or about 78 per cent, answered in the affirmative. Of the others, 11 thought not and 26 were uncertain.

where a warehouseman would be limited to the accounts he carried in his warehouse."

John J. Gobell, general manager New Bedford Storage Warehouse Co.: "The local field is already overcrowded and trucking rates are demoralized and promise to remain so for a considerable period, as apparently as fast as one mushroom trucking concern goes out of business there are others to take its place."

F. S. Shafer, secretary Essex Warehouse Co., Newark, N. J.: "Warehouses lacking the facilities of motor transportation beyond the usual distribution area will suffer."

C. C. Geyer, manager Central Railway Terminal & Cold Storage Co., Inc., Albany, N. Y.: "A well established motor freight service will be necessary for the continued advancement of the warehouse. Such service may or may not be owned by the warehouse itself, depending on conditions at each given point."

William T. Bostwick, president The Thomas J. Stewart Co., Jersey City: "Either the warehouse must have its own established motor freight service or be an agent for some other motor freight service which will give it the same advantage."

Leo Van Valkenburgh, secretary Shephard Warehouses, Inc., New York: "Not on bonded warehouses, but to some extent on free warehouses."

Ray M. King, president King Storage Warehouse, Inc., Syracuse, N. Y.: "Distributors are going to be looking for connections that can furnish motor freight service. The warehouseman must either establish himself in this business or make suitable connections with established truck lines."

F. J. Trosset, vice-president Broad Street Warehouse Corp., Utica, N. Y.: "A warehouse in a position to offer motor freight service would have a decided advantage."

C. A. Winslow, president Winslow Trucking Co., Watertown, N. Y.: "A warehouse with motor freight service radiating to all points within 75 or 100 miles will have a distinct advantage, inasmuch as all orders could be put up and gotten out at a stated time. It would not be necessary to fill the floor with orders and then find that one of the truckmen cannot take care of his orders for that day."

F. L. Harner, chairman of board Fidelity 20th Century Storage Warehouse Co., Philadelphia: "The warehouse that can give the complete service will have the preference over one that cannot."

E. C. Fordham, assistant treasurer Quackenbush Warehouse Co., Scranton, Pa.: "Provided customers could be educated to pay reasonable trucking and storage rates, and particularly reasonable handling rates for the small lots of

goods which are usually handled for motor truck distribution."

Robert R. Johnson, president Johnson Transfer & Fuel Co., Bloomington, Ill.: "This is the largest question you have asked. It is doubtful what will be the outcome if a few concerns would join forces and undertake receiving and delivering freight to points from 75 to 100 miles."

S. E. Schuetz, manager C. H. Ronne Warehouse Co., Chicago: "No, for reason that few goods move from one warehouse to another warehouse."

Charles J. Foster, manager Cadillac Storage & Transfer Co., Cadillac, Mich.: "In order to protect the warehousemen throughout the country, a merger could be made with truck hauling companies; something similar to the merger now being established by railroads. Undoubtedly this could be handled successfully by the Allied Van Lines."

H. T. Hoopes, vice-president Terminal & Transportation Corporation, Detroit: "In order to make it a real asset such a trucking service would have to be absolutely self-supporting, aside from its value as a feeder."

H. H. Hardy, general manager Fireproof Storage Co., Lansing, Mich.: "Motor freight lines will be a benefit to the warehouse industry, providing the warehouse is in some way tied up with these lines."

F. W. Berry, manager Baltimore & Ohio Warehouse Co., Cincinnati: "Whether this can be established through warehouse control and freight service, or whether it will be a separate company, either railroads or motor lines, is a hard question to answer now."

W. R. Thomas, vice-president Lincoln Storage Co., Cleveland: "Unless warehouses have a tie-up of motor freight service they will be much in the minority."

Edward Wuchet, president Union Storage Co., Dayton: "Fourteen lines in this territory, with two exceptions, are run by men from villages and small towns, operating their own trucks and usually at a loss, changing hands constantly. Quite a difficult situation to compete with."

J. W. Peoples, manager Merchants' Transfer Co., Marion, Ohio: "The future looks bright for any warehouse having motor freight lines radiating from within 75 or 100 miles."

O. A. Bay, president Toledo Terminal Warehouse Co., Inc., Toledo: "From the standpoint of prompt service on out-bound shipments it would aid greatly in quick forwarding, rather than being obliged to wait two or three days for motor freight lines to pick them up. Where a warehouse company has a well established and active business, motor freight service of this nature should be quite profitable."

J. H. Wagner, secretary Gateway City Transfer & Storage Co., Inc., La Crosse, Wis.: "We advise any warehouse or transfer company to get into the motor freight business at once, as the firm established in this business ten years from now will have a decided advantage over the firm not in the business."

W. L. Hinds, president Merchants Transfer & Storage Co., Des Moines: "Yes. It is a matter of more improved roads in this section."

Carl T. Haw, president Daggett-Haw Co., Ottumwa, Iowa: "It is going to be bad for the warehouseman who does not take action. Sooner or later he will find himself high and dry, with someone else holding his accounts."

Paul Bekins, vice-president Bekins Van & Storage Co., Sioux City, Iowa: "It largely depends upon how the expansion and development of motor freight service is carried on. If it is developed through a nationwide movement or chain I do not think it will immediately affect the warehouse business. In this method, the company establishing the service would primarily be interested in transportation and not warehousing; his interest would mainly center in increasing tonnage for transportation and hence he would cooperate with all the warehouses now in existence. However, in the future, after the motor system of transportation has been developed, a large company of this type would perhaps turn to warehousing as a further development. If, on the other hand, motor freight service will be developed by individual companies operating more or less locally, they would, no doubt, sooner look toward expansion through a warehouse in that particular community, than a nationwide system."

Walter G. Wintle, president Central Warehouse & Storage Corp., Wichita, Kan.: "If a group of warehousemen took over a well organized motor freight service to points in a radius of 100 to 150 miles it would have the advantage over the warehouse without such service."

J. F. Lenzen, vice-president McDougall Terminal Warehouse Co., Duluth: "Depending on locality. On account of geographical location there are only two directions to be worked from here and within a radius of 100 miles in any direction. Very small population."

R. H. Hall, president Security Storage & Van Co., Duluth: "Inasmuch as freight lines in this State must have a franchise it would be impossible for the warehouse company to operate as a common carrier and pick up other freight besides its own."

J. E. Edlee, St. Paul general agent Judson Freight Forwarding Co.: "As a common carrier a motor freight operator holds himself ready to transport for all shippers on an equal basis, and as the motor freight transportation business is highly specialized there is no more necessity for a warehouse engaging in this business than there is for the warehouse to engage in the railroad or steamship business."

F. E. Brereton, proprietor Brereton Moving & Storage, Sedalia, Mo.: "I look for railroads to buy up all this business."

L. E. Noel, secretary Ford Bros. Van & Storage Co., Omaha: "It probably would although on the present rates I can't figure out how the freight haulers are making any money picking up at a point of origin and delivery to store door in competition with railroad rates. The rates would certainly have to be revised

and it surely is worth more money for a store door delivery."

R. J. Mayer, secretary Terminal Warehouse Co., Omaha: "The investment in the necessary equipment would probably be more than the investment in the warehouse and we do not look for any warehouse company in our territory to go into the business on any such schedule as this."

David B. Karriek, vice-president Fidelity Storage Co., Washington, D. C.: "Yes, but we question whether the warehouse can profitably develop such a service for the next few years."

Sidney A. Smith, manager Lee Terminal & Warehouse Corporation, Tampa: "The warehouse having truck line affiliations will certainly have the advantage."

T. E. Witters, president Baltimore Fidelity Warehouse Co., Baltimore: "No. We think a warehouse operating long distance freight service will involve itself in complications which will be a handicap."

J. L. Wilkinson, secretary Carolina Transfer & Storage Co., Charlotte, N. C.: "It is possible that it would be a good thing for warehousemen to organize and run a line of their own provided they could get over the roads without interfering with the first motor lines."

John W. Mallory, Nixon Transfer & Coal Co., Anniston, Ala.: "Yes if they have exclusive route."

Paul S. Steward, president Chattanooga Warehouse & Cold Storage Co.: "We believe that warehouses must get into the terminal and freight business."

Eugene Gaylord, president Knoxville Fireproof Storage Co.: "A warehouse cannot be profitably operating without a motor freight service serving it with a radius of 100 miles or more."

W. H. Dearing, secretary John H. Poston Storage Warehouses, Memphis: "The time will come when warehouse companies will be compelled to deliver within a radius of 100 miles, and all of the large warehouse companies will do so."

L. S. Rose, secretary Rose Warehouse Co., Memphis: "Depends on locality."

O. B. Holmes, Holmes-Smith Transfer & Storage Co., Meridian, Miss.: "As soon as we get good roads."

L. T. Dyess, manager Southern Warehouse & Storage Co., Meridian, Miss.: "Not in this section."

S. J. Beauchamp, president Terminal Warehouse Co., Little Rock, Ark.: "Depends entirely on local conditions. All freight trucks operate under the Railroad Commission of Arkansas, which has power to issue or withhold permits and to establish uniform rates. The warehouse operating trucks will have no particular advantage over any other line if it were compelled to adhere to published rates. A warehouse operating trucks would be forced to go into the field and solicit freight from other concerns in order to receive tonnage enough to maintain a regular schedule between points."

E. D. Balcom, president Dallas Transfer & Terminal Warehouse Co.: "Naturally the shippers will patronize the warehouse with well established motor freight service in preference to those without it, regardless of the fact that under our

public supervision they are supposed to render the same service. The fact that freight service is being rendered is a building point that cannot be overlooked."

W. I. Ford, president Interstate Fireproof Storage & Transfer Co., Dallas: "Manifestly yes. I personally do not believe any such thing will develop to a great extent."

L. G. Riddell, president Union Transfer & Storage Co., Houston: "Steps should be taken along this line in order to protect our interests in the future."

Barron Verner, manager Tyler Warehouse & Storage Co., Tyler, Tex.: "Yes. Merchants now buy on short notice and for immediate delivery."

W. E. Fessenden, president California Warehouse Co., Los Angeles: "Decidedly yes. The writer feels that he would be willing to become financially interested in such a concern."

W. P. Scott, president Oakland Warehouse Terminal Co.: "It is obvious."

S. M. Haslett, president Haslett Warehouse Co., San Francisco: "No. It does not seem likely that any local warehouse could originate a sufficient volume of freight to justify its having a motor

freight service. Such a business would be separate and distinct and would have to stand on its own legs. Furthermore, all freight distribution of this type made between fixed points on more or less regular schedule is subject to the Railroad Commission and could only be established after a certificate of public convenience and necessity is obtained. It is doubtful if any more certificates will be granted, as the field is already fairly well covered."

Matt Newell, president Pacific Storage Warehouse & Distributing Co., Tacoma: "Impossible to get permit to operate over our highways without purchasing some auto freight lines."

Millard Johnson, president Spokane Transfer and Storage Co.: "We are not willing to prophesy to any extent as we find that it is a risky business, but we can see that such a development might be possible."

As will be noted in the "box" which heads this section of the discussion, eleven executives replied negatively. In all instances where they back their opinion with reasons, those reasons have been incorporated into the foregoing text.

Question No. 7

Have the warehousemen in your city considered the development of a cooperative motor freight service?

Warehousemen reported such consideration, either formal or informal, in the following cities:

Baltimore	Council Bluffs, Iowa	New York: State's central cities, including
Colorado cities including Colorado Springs, Denver, Pueblo and Trinidad	Dallas	Syracuse
Connecticut cities represented by members of State association	Davenport, Iowa	Oklahoma City
	Everett, Wash.	Omaha
	Los Angeles	Pittsburgh, Pa.
	New Jersey cities including Newark	Portsmouth, Va.
		Rock Island, Ill.
		Toledo, Ohio

DEVELOPMENT of cooperative motor freight service has been considered by warehousemen in some sections but the replies to Question No. 7 do not show that anything definite has been accomplished.

It was discussed by the Motor Truck Association of Connecticut during the regime of Edward G. Mooney, Hartford, as president, but the suggestions advanced were never carried out.

A storage executive in another New England city comments: "The warehousemen here have never had brains enough to consider anything except how low they would have to cut prices in order to get business away from us."

The subject was offered for discussion at a meeting of the New Jersey Merchandise Warehousemen's Association some time ago, but "elicited no response," according to F. S. Shafer, Newark, the secretary, "for the reason probably that the majority present were not directly interested in truck transportation."

Executives in central New York cities "have given considerable study" to the subject, writes Ray M. King, Syracuse, president of the Central New York Warehousemen's Club.

There has been some discussion among the members of the Pittsburgh Furni-

ture Storage & Movers' Association, "but it has never been gone into sufficiently to make it a matter of record on the minutes," according to W. Walter Dolan of that city.

O. A. Bay, Toledo, wrote (Sept. 18) that "this topic will be brought up" at the next meeting of the Toledo Warehouse & Transfermen's Association "with a view to preserving the welfare of the industry."

"Some talk but nothing done" in Council Bluffs, Iowa, according to G. H. Bacon, of that city. In Davenport, William Richter writes, "our local association is discussing this."

No cooperative service has been considered by the Omaha executives, states R. A. Ford, of that city, and an effort has been made to set up "a truck terminal with provisions that all freight must be delivered to the terminal instead of picked up by the individual truck; this would give the truck-owning warehouseman a chance."

In Baltimore, "only incidentally," reports T. E. Witters, president of the Maryland Warehousemen's Association, who explains:

"It is thought by some of our warehousemen that the development of motor freight service will injure the storage

business. The tendency will be to ship in smaller units and to make store door delivery of a distributor's requirements as he needs them. With a regular frequent schedule warehouse space or distribution would not be necessary. This will result whether the truck line is operated by warehousemen or others."

Clarence Wyatt, Jr., of the Bowman Transfer & Storage Warehouse Co., Portsmouth, Va., writes that "you have given us food for thought, and we are going to take advantage of this suggestion."

In Dallas the warehousemen "have given considerable consideration to a cooperative motor freight service, but nothing definite has been done to date," according to E. D. Balcom.

Executives in Denver, Pueblo and Colorado Springs, writes Henry T. Lowe, of Colorado Springs, "have considered the advisability of putting on motor truck lines, but investigation always develops that this class of work was done at a price that we did not consider would bring in sufficient revenue to make it profitable." He adds: "Up to this time the various truck lines operating in this part of the State have never had any financial standing and, generally speaking, the way they have handled their business has never been altogether satisfactory."

Distribution and Warehousing's motor freight letter and questionnaire of Sept. 3 was read at a recent meeting of the Los Angeles Warehousemen's Association, and W. E. Fessenden, one of the members, writes: "While the arguments you advance are very liable to become true, I could not stir up much enthusiasm among the other members."

S. M. Haslett, San Francisco, answering in the negative, states: "The draymen of this city attempted to combat some of the motor freight deliveries by establishing a pool car daily for several points up to 100 miles distance. These pool cars were discontinued, however, as insufficient volume developed to justify them."

"No, we have not, but think it would be a fine thing to do," comments Matt Newell, Tacoma.

The subject has been placed on the program of the annual convention of the Southern Warehousemen's Association at Charlotte, N. C., Nov. 7-8, and was considered at the Kansas City meeting of the Missouri, Kansas and Oklahoma State warehousemen's associations in October.

MORE than half the warehousemen replying to question No. 8 are convinced of the practicability of cooperative service, but one-third of them are decidedly against the idea. Others regard it as problematical or say they have given it no thought.

"Perfectly feasible," comments Edward G. Mooney, Hartford, who has made just such an arrangement with a warehouse in Worcester, in an adjoining State. "Not only feasible but practical and something which undoubtedly will come about."

Responding negatively, George H.

Lovejoy, Boston, points out that "the motor truck business is a business in itself and takes a person who knows the trucking game to keep it on a paying basis because the competition is keen." E. A. Balcom, Waltham, Mass., comments: "Experience alone would prove." P. F. Arnold, Providence, R. I., writes that "unless something of this nature is brought about we will see vast changes within the next few years."

"If the warehousemen would cooperate," offered by George Sebold, secretary of the Weimer Storage Co., Elizabeth, N. J., is a thought frequently expressed by the various executives. For example, "petty jealousies would militate against the formation of such a line," in the opinion of Walter C. Reid, vice-president of the Lincoln Warehouse Corporation, New York.

William T. Bostwick, secretary of the New York State Warehousemen's Association, recalls that the question of merchandise transportation by the Allied Van Lines, Inc., of the National Furniture Warehousemen's Association was discussed at a New York meeting, and—

"It may be that the merchandise warehousemen could connect with the already established Allied proposition and make a successful countrywide transportation system which could and would compete with any attempt of the railroads to go into the business."

Several of the other executives write along the same line.

Cooperative service would benefit both warehousemen and shippers and "could be worked out successfully," believes F. J. Troosit, Utica, while C. A. Winslow, Watertown, N. Y., things it would "clean out" some of the unreliable truckmen.

"With certain limitations," writes H. W. Wilson, vice-president of the Lehigh & New England Terminal Warehouse Co., Bethlehem, Pa. "If the circle were too wide, offhand we would think that one of the larger cities would have the advantage and might curtail national distribution through the smaller cities. We prefer limiting hauls to 100 miles radius and independent operation unless the larger cities would share their storage revenue on national distribution with the smaller ones, possibly along the lines that the railroads are now operating."

"With trailers and semi-trailers only," suggests Joseph E. Headley, Chester, Pa.

W. Walter Dolan, Pittsburgh, does not believe it would be "a financial success."

Present motor service is "sufficient to cover all needs," according to S. E. Schuetz, Chicago. "On a good legitimate service," writes H. M. Weber, of the same city. "The present transport companies are not making a good profit on their business in making store door deliveries and pick-ups at the regular freight rates. A charge should be made of pick-up and delivery and this cost amounts in a good many cases to half the total cost of making delivery."

"It will have to be done to cut the cheaper competition cut and the fly-by-night," declares C. W. Haight, East Chicago, Ind. The Indianapolis executives

Question No. 8

In your opinion would it be practical for a group of warehousemen located within a 200 or 300 mile circle to organize, own and operate a motor freight line of a cooperating basis?

Of the warehousemen answering this query, 56 per cent responded affirmatively, 30 per cent negatively and 14 per cent were uncertain.

who reply are against any such arrangement, except that one states it would be practical locally but not including warehouses in other cities.

"This plan could be made practical and beneficial," writes H. T. Hoopes, Detroit. "It could possibly best be accomplished by acquiring existing truck lines so as to eliminate, so far as possible, antagonism in the trade. Success would depend on the ability of the management and the authority granted, as such a line would have to be operated strictly on an impartial basis."

Such an organization "could use their particular warehouses as terminals," says B. Zevalkink, Grand Rapids. "If their business could be pooled the amount of business would be increased tremendously. Taking shipments from all the warehouses, you could make complete routes for various points daily."

"The set-up of Mr. Snyder in Indiana [outlined in the September *Distribution and Warehousing*] looks promising," writes H. H. Hardy, Lansing. "The only difficulty in Michigan is that such lines must secure permits and the routes are now covered. The answer, therefore, seems to be to tie up with the present lines in some manner."

"It would enhance possibilities for more business," believes J. W. Peoples, Marion, Ohio, while O. A. Bay, Toledo, writes: "The question demands serious consideration. Individually owned equipment would possibly work out more satisfactorily; however, if need be, to combat the impending situation, it may be advisable to operate on the cooperative basis, within a smaller radius than 200 or 300 miles."

J. H. Wagner, La Crosse, Wis., believes a cooperative line would be a failure. "If the carriers will get together and have joint rates from one point to another of different lines," he declares, "the idea would be more successful than operating on a cooperative basis."

"A cooperative line would establish competition and would double the amount of equipment in the field," thinks Anthony L. Fischer, Milwaukee, and "whether there would be a sufficient income to allow the operation of both trucks and warehouse operators would be a matter of the survival of the fittest. If the truck operator could be educated to use the public warehouse as a terminal both would profit and that would tend to bring out a more wholesome business condition."

Interchange of business between warehousemen would not be "sufficiently active or attractive to warrant a cooperative line," in the opinion of A. V. Mason, Milwaukee, and moreover such a line "would be in direct competition with

the railroad lines serving the warehouses in any such group."

"It will be the only thing that will save us," writes G. H. Bacon, Council Bluffs, Iowa. "Organize and do it strong."

"If possible, it should be and will be arranged on account of warehouse interests,"—William Richter, Davenport. "When roads warrant,"—W. L. Hinds, Des Moines. "We would want to pick the men with whom we would be associated,"—Carl T. Haw, Ottumwa, Iowa.

Either the warehousemen with a circle of approximately 300 miles should "form a separate corporation" to operate a freight line or should "consolidate the warehouses and freight lines under one head," according to Paul Bekins, Sioux City, Iowa.

"At the opportune time," in order to meet "the competition that may injure the warehouse business,"—J. C. Cassell, Wichita, Kan. "Practical and advantageous,"—Walter G. Wintle, Wichita.

Practicable in large cities with sufficient tonnage and cities rightly located geographically, believe J. F. Kenzen and R. M. Hall, both of Duluth, which they do not consider as being among such cities. "Providing permit could be obtained from State Railroad and Warehouse Commission,"—J. P. Feuling, president Central Warehouse Co., St. Paul. "Highly impracticable" because motor fleet operation is specialized, requiring an organization of trained men in all departments, according to J. E. Edlee, St. Paul.

Not practical because of railroad competition, believes F. E. Brereton, Sedalia, Mo. "Very problematical," writes S. N. Long, St. Louis, who is president of the merchandise division of the American Warehousemen's Association.

"If it were carefully handled and you had cooperation, a little money might be made this way," thinks L. E. Noel, Omaha, "and it would probably keep control of things for the warehouseman through his service, but if store door delivery and pick-up are made then I would cling to the idea that rates should be hiked up a little above railroad rates for such service."

"Lack of confidence in each other would not make for good cooperation," objects P. S. Fleming, manager Gordon Storage Warehouses, Inc., Omaha. Another Omaha executive, R. J. Mayer, believes "it would be a mighty nice thing for warehousemen located within 200 and 300 miles" but "this is one of the plans that are worked out fine in theory but fail utterly in practice."

"?" is the comment of A. H. Laney, Jacksonville, and of W. L. B. Twiss, St. Petersburg, while Sidney A. Smith,



Tampa, does not believe it would be practical in Florida.

"Neither practical nor desirable," writes T. E. Witters, Baltimore. "Goods for distribution or storage are seldom moved from a warehouse in one city to a warehouse in another city. This would be providing a facility to keep goods out of the warehouse."

In the Birmingham district the road conditions would prohibit at present, writes George C. Harris of that city. "If they had the capital."—E. M. Bond, Nashville. "Must wait for better roads."—O. B. Holmes, Meridian, Miss. In Arkansas there are too few warehouses to make it practical, believes S. J. Beauchamp, Little Rock.

"The easiest and most simple thing from a financial and practical standpoint," with separate warehouse corporations operating in conjunction with one another, fitting their respective businesses, according to E. D. Balcom, Dallas, who adds:

"This could be done at practically no greater investment than they have now, as most of them have trucks in operation today which could be worked into this set-up on a cooperative basis and I be-

lieve it would be one of the greatest stabilizing influences in the warehouse business which could be effected within the next few years."

"We have tried the motor freight line service and did not find it profitable," reports the Scobey Fireproof Storage Co., San Antonio.

In California the franchise operations are "already too firmly entrenched," writes R. T. Bekins, Fresno, "and even if the warehousemen had started at the inception of this service the enormous amount of direct delivery being made in the larger cities and the store doors in the smaller towns would necessitate a lot of rolling stock to handle the business. The total investment required would probably greatly exceed the amount invested in warehouses at this point." Leo Phillips, Los Angeles, brings up the same franchise problem, declaring it would be almost impossible for warehouses to operate lines without merging with and gaining control of lines already franchised.

Motor transport is in "a primitive stage and has not been looked upon with favor by investment bankers to date" and so the time is not opportune, accord-

ing to W. P. Scott, Oakland, who adds: "It is recommended, however, that warehousemen organize motor transport units operating locally which at some future date might be tied into a system."

"Not under the present Washington license law," says C. M. Bentley, Everett, Wash., but a spokesman for the Broomfield Transfer Line, Spokane, declares it would be practical "on main lines of traffic," as to Seattle, Yakima, Wenatchee and Walla Walla, and to Portland in Oregon. Millard Johnson, also of Spokane, believes it would not be practicable "owing to the sparsely settled condition in this territory."

QUESTIONS No. 9-A and No. 9-B may be considered together and also in association with Question No. 5. In the two accompanying "boxes" it is clearly indicated that motor freight line completion is growing and that already it is having its effect on the public warehouse business. Storage executives in more than 80 cities report having noted that shippers show disposition to favor distribution by motor freight lines, while warehousemen in more than a score of cities say they have actually lost storage accounts to the lines.

If these reports are fairly representative of conditions throughout the country, the seriousness of the situation cannot be gainsaid!

Nearly every account of the Hartford Despatch & Warehouse Co., writes E. G. Mooney, the president, "insists on distribution being made by motor freight line if they have pool cars," and that was the chief reason why the Connecticut firm established routes of its own.

The New Bedford Storage Warehouse Co. has lost "several accounts" of national distributors who prefer motor routing, and so has the Gibbs Express Co., Waltham, Mass. Several New England companies report they have gained accounts because they are linked up with motor freight line service.

"We will have to provide for such an emergency."—F. S. Shafer, Newark, N. J.

The King Storage Warehouse, Inc., Syracuse, has lost one of its largest accounts to a motor freight line which has opened up a storage terminal. One of the accounts of the Winslow Trucking Co., Inc., Watertown, N. Y., has turned to a motor freight line. Headley's Express & Storage Co., Inc., Chester, Pa., reports the same experience, and the Metheson Warehouse Co., Wilkes-Barre, has lost business, as has the Riverside Storage & Cartage Co., Detroit.

"The chances are that a development of the service will cause loss."—B. C. Hubbard, Grand Rapids.

The Columbus Warehouses, Inc., reports having gained accounts because of operating motor routes; and the Atlas Storage Co., Milwaukee, because it has established an arrangement for lines to use its warehouse as a terminal.

The Daggett-Haw Co., Ottumwa, Iowa, has lost "one high grade account" to "a 'cutthroat' outfit," and the Fisher

Storage Co., Red Oak, Iowa, has lost one or two accounts.

"A well organized properly financed warehouse with associated motor freight line would undoubtedly attract merchandise accounts."—Frank M. Cole, general manager, Radial Warehouse Co., Kansas City.

"The disposition of accounts to use freight lines is developing rapidly. Inquiries are made every day as to whether speed can be made by sending merchandise by truck instead of by freight."—P. S. Fleming, Omaha.

"The business of motor transport lines is growing and we are of the opinion that the railroads will in the near future handle short-haul traffic by motor transport and will dominate, so far as possible, merchandise warehousing."—G. C. Anderson, treasurer, Gastonia Bonded Warehouse, Inc., Gastonia, N. C.

The Chattanooga Warehouse & Cold Storage Co., when shippers demand distribution by motor, turns the goods over to a motor freight line, thereby forfeiting a depot charge but holding the shipper's accounts.

"The disposition on the part of our customers to favor motor freight lines is very noticeable and they are beginning to use this service more and more every day. It seems to me that conditions will eventually force the railroads into paralleling their lines with motor equipment and take over the bulk of the business themselves."—S. J. Beauchamp, Little Rock.

The Abilene Storage Co., Abilene, Tex., reports having lost accounts. In Dallas the Dallas Transfer & Terminal Warehouse Co. lost two customers prior to installing motor service to Fort Worth. The Elkin Transfer & Storage Co., Wichita Falls, has lost "one or two small accounts."

The California Warehouse Co., Inc., Los Angeles, has lost part of a soap account.

Question No. 9-A

Have you noticed, among your accounts, any disposition to favor distribution by motor freight lines?

Of the warehousemen answering, 68 per cent responded affirmatively. Warehousemen noted the trend in the following cities:

Abilene, Tex.	Fond du Lac, Wis.	Red Oak, Iowa
Alamosa, Colo.	Fort Wayne, Ind.	Rock Island, Ill.
Anniston, Ala.	Fresno, Cal.	Roseburg, Ore.
Asheville, N. C.	Grand Junction, Colo.	San Antonio
Baltimore	Grand Rapids, Mich.	San Diego
Battle Creek, Mich.	Hartford, Conn.	San Francisco
Bethlehem, Pa.	Hoboken, N. J.	Seattle
Bloomington, Ill.	Houston	Sedalia, Mo.
Boise, Idaho	Indianapolis	Scranton, Pa.
Buffalo	Knoxville	Sheffield, Ala.
Chattanooga	LaCrosse, Wis.	Spokane
Chester, Pa.	Lincoln, Neb.	St. Joseph, Mo.
Chicago	Little Rock, Ark.	St. Paul
Cincinnati	Los Angeles	Syracuse, N. Y.
Cleveland	Marion, Ohio	Tacoma
Clinton, Iowa	Milwaukee	Tampa
Columbus	Minneapolis	Trinidad, Colo.
Corpus Christi, Tex.	Minot, N. D.	Tuscaloosa, Ala.
Corvallis, Ore.	Nashville	Tyler, Tex.
Council Bluffs, Iowa	Newark, N. J.	Utica, N. Y.
Dallas	New Bedford, Mass.	Vineland, N. J.
Davenport, Iowa	Oakland, Cal.	Waltham, Mass.
Detroit	Oklahoma City	Washington
Des Moines	Omaha	Watertown, N. Y.
Duluth	Orlando, Fla.	Wichita, Kan.
East Chicago, Ind.	Ottumwa, Iowa	Wichita Falls, Tex.
Elkhart, Ind.	Portland, Ore.	Wilkes-Barre, Pa.
Everett, Wash.		

Question 9-B

Have you lost any such accounts (that is, to motor freight lines)?

Warehouse reported losing such accounts in the following cities:

Abilene, Tex.	Lincoln, Neb.	Seattle
Chester, Pa.	Los Angeles	Syracuse, N. Y.
Corvallis, Ore.	New Bedford, Mass.	Tacoma
Council Bluffs, Iowa	Ottumwa, Iowa	Trinidad, Colo.
Dallas	Portland, Ore.	Waltham, Mass.
Davenport, Iowa	Red Oak, Iowa	Watertown, N. Y.
Detroit	San Diego	Wichita, Kan.
Knoxville		Wichita Falls, Tex.

The Pacific Storage Warehouse & Distributing Co., Tacoma, has lost the accounts of "several large firms." Matt Newell, president, writes: "They [motor freight lines] have reduced our volume of business 50 per cent, as several na-

tional accounts now store their products at the Seattle auto terminals and also at the Portland terminal and deliver direct to Tacoma, cutting us out on storage and also distribution and cartage."

Motor Transport Taxes Held to Be Burdening Highway Shippers

SPECIAL taxes on trucks and buses have been mounting rapidly during the past ten years and are now reaching levels so high in some States that some marginal operators are being forced out of business, Edward F. Loomis, secretary of the motor truck committee of the National Automobile Chamber of Commerce, said in a talk at the recent annual convention of the National Tax Association, at Saranac Lake, N. Y.

"While the average tax per passenger automobile in the United States is \$22 a year, the average tax per motor truck is more than twice as much, or \$50," Mr. Loomis asserted, adding that common carrier trucks must pay 14 times as much as the private automobile or \$303 a year; and that buses pay 24 times as much, or \$512 a year.

"Owners of motor vehicles are paying more than \$800,000,000 a year in taxes," said Mr. Loomis. "A large share of this is contributed by the owners of commercial vehicles as compensation for their use of the highways. Further

study of the proper share of each type of motor vehicle as well as of proper contribution by the public as a whole, toward meeting the nation's highway bill, is needed. Further sharp increases in truck and bus taxes without careful analysis may unfairly penalize thousands of shippers and travelers dependent upon commercial motor vehicle transportation."

Mr. Loomis' remarks followed a declaration by Professor Charles J. Bullock of Harvard University that trucks and buses were parasites on the railroads and demanding that truck and bus taxes should be greatly increased.

Both majority and minority reports were submitted by the committee on taxation of commercial motor vehicles of the National Tax Association. The majority report, prepared by Professor M. H. Hunter of the University of Illinois, gave prominence to the theory that trucks and buses should be taxed 14 to 16 per cent of their gross revenue to equalize competition between them

and the railroads, which pay, Professor Hunter asserted, about 6 per cent of their gross revenue in taxes and 10 per cent for construction and maintenance of right of way.

The minority report signed by C. B. Baldwin, chairman of the highway transportation committee of the National Industrial Traffic League, and A. H. Samish, secretary of the Motor Carriers Association of California, strongly opposed the theory that it was the function of the Government to equalize through taxation competition between like industries and pointed out that truck and bus taxes were already extremely high in many States.

Strong opposition to the Hunter theory of equalizing competition between railroads and motor vehicles through taxation was expressed by others who participated in the discussion. The convention failed to approve the majority or minority report and it was understood that studies by the committee be continued for another year.

Immediate Future of the Merchandise Warehouse Industry*

By H. A. HARING

THE "future" in warehousing, as I think of that term, is not some day-dream of rosy years when the price cutter will disappear from the industry. Nor is it the time when the storers of goods will beg you to raise rates because your service is extra good. No. I do not look forward to a millenium of idealism.

I wish we might expect such palmy days to come, but, as men of the business world, you and I know that the future will bring no such thing to warehousing. The price cutter will always upset business conditions. Traffic managers will always fight for fractions of a cent in the freight rate, and they will continue to bulldoze you warehousemen into shaving a nickle off the storage rate and into cutting the handling rate in two.

Nor should we be disheartened at this situation. It is natural and it is normal. Therefore it will persist.

We forget, when we ponder over the difficulties of our industry, that in our own buying we do the same thing. But, as warehousemen, we are on the selling side of the bargain. Our mind is centered, therefore, on the fine service we give the storer for the quoted price. We have a feeling that the manufacturer ought to be tickled to death to pay us a little velvet for our superlative service. In so thinking we forget that, when we buy for ourselves, we flop to the other side of the bargain. When we buy, we, too, haggle down the price.

Have you forgotten the last time you purchased tires for your truck how you insisted on getting over-sizes or

"gummed dipped" or "all-weather tread" or some other mark of the best in tires? But, after digging up the best tires on the market, have you forgotten how you then urged your status as a "fleet owner" and, therefore, your claim to the "fleet" discount? Or how you got your son-in-law in a jobber's house to put through the order for you and thus obtain the jobbing price? No.

We all do it. We pride ourselves on our ability to buy cheaply. We shop around when we buy—first to find the best there is to be had; secondly, to bear down the price.

The immediate future of warehousing, as I see it, will bring new generations of traffic managers who will want the best the warehouses can offer but whose bounden duty it is to switch accounts when they can see a saving of five dollars a carload. They will shop around to find that city where warehousing costs are least, balancing Dallas against Fort Worth, Davenport against Dubuque. Having determined upon a city, they will continue to shop, doing it this time among the warehousemen. If they favor St. Louis, they will pit the new Terminal against Long; here in Kansas City, it will be Central against Crooks; or, up in St. Joseph one of the transfer and storage companies will be pitted against the Terminal warehouse.

All this is an old story. You know it. Every morning's mail brings it before you for decision. There is no use of my talking about it. In all probability, you know far more about it than I.

EVEN so, I do mention this tendency of our customers to shop around, and I mention it deliberately because it is an important consideration in the future of warehousing. We must accept the fact—whether we like it or not—that warehouse customers are constantly searching for quicker and quicker ways to handle their goods and for safer storage, and, most of all, for connections which will cost them less money. They want more service and better facilities—more of everything and better for everything—and they want it at less cost.

When you face this demand, do not grow discouraged.

Remember how you ride, today, on balloon tires; how you jam down your four-wheel brakes. Your back seat, on that account, rides more comfortably, and you dare to go through traffic at a speed unknown in 1925. Balloon tires and brakes have improved vastly since that year. You are getting far more in your car, and yet the price of the car has gone down.

So it is with everything in America. Your radio is unspeakably better, but

costs less. Your wife's dresses give far more variety and watch the charm of her personality in a manner impossible only four years ago, but those dresses cost less than half what they did. The very cigarette you are smoking at this minute is better blended, but costs less than it did.

Your—but why catalog the things we buy? It is the same with every one of them: better quality, greater satisfaction to the user—and always with less of price.

Therefore we, as warehousemen, when we think of the future of our industry, must accept the same principle.

As warehousemen we must plan to give more and better of everything, and charge less.

To be disheartened over the outlook is to butt your head against the very thing that has made America the industrial leader of the world.

Unless you who now operate the warehouses meet this demand of the immediate future, some other concern will. To deride your competitor as a "price cutter," or to scorn him because his age is only 22 or 25, will not bring the business to you. If he gives more, or if he charges less for service just as good, the

new accounts will be tempted to call his telephone number and forget yours—precisely as your last truck tires were bought where they quoted you \$47 and not \$65.

Gentlemen, the horse failed in competition with the motor car, and today the great horse and mule markets of Memphis and Wichita are being cut up into sub-divisions by the real estate men. The phonograph and piano went down before the radio, and today scores of makers of 1922-1923 are names forgotten, grown as little familiar in seven years as ten years have bedimmed the names of those hated German generals of whom we once heard so much. The dress-maker who took up six days of your wife's time each year, who upset the nursery with her snippings and her ravelings, who bossed your wife for a day at a time and wore out her sweet disposition—thank goodness! the dress-maker, too, is gone from our life—and, forget not this point, you now pay \$14.95 apiece for dresses which once cost you \$50 or more; your wife looks better to your eye, and—well, like your auto and your cigarette—she costs you less!

Gentlemen, it's the way of business in this country. Better and more of the

*Paper read at joint meeting of Kansas, Oklahoma and Missouri State warehousing associations, Kansas City, Mo., Oct. 18-19.

goods: less money. We may as well accept the situation and apply it to our warehouses. We have no alternative, no choice. We must give the storer more service, and better, and for less money—or, at least, for no more money.

Our customers are fighting to cut down their costs, and they'll expect to find some of their savings with the warehouses.

It may be, of course, that a chosen few customers, those "salt-of-the-earth" kind, of which each warehouse has a few—it may be that a few of them will stick. Here's hoping that each one of you in these three or four States has fifty accounts of that sort! But, frankly as man to man, I know that such is not the case. You're deep in luck if you have two, or three, such!

And one thing more I know, without your telling me.

Your new accounts, your new business—none of them is coming to you on any basis of the sort. New business is coming to you in these trans-Missouri States, in all probability, as it is coming to the warehousemen east of St. Louis and west of Amarillo, just as it comes in other parts of the country, and that is—

Well, Mr. Chairman, your program tells us that we are to discuss that problem tomorrow morning at that seven-thirty breakfast "talk-fest" of yours. Therefore, just for the present, we'll say nothing more about new business, except to remember that new business for the warehouses is demanding more and more for less and less.

Eliminating the Middleman

THE immediate future of warehousing is bound up in another trend of business as it exists in 1929.

Let me state it this way.

Following those awful years we had in business, 1921 and 1922, we heard much about "cutting the cost of distribution," about "eliminating the middlemen," about "getting rid of the jobber," and so on. Themes such as these gave men a topic for conversation after they got through dishing up the poor weather-man; they gave fellows such as myself, who do our spouting in print, popular words for headlines.

Has it, however, struck your notice that for about two years now you have heard less of these subjects? They are dead subjects. Why? Just because business has passed that stage.

Already, in the better magazines and the more daring trade publications, you may perceive another trend in business, and I venture the opinion that in about another year every business man will be talking about the new fashion in business, which is already as pronounced in management of corporations as the rage for color is in our merchandise.

It always takes, we find, approximately two years for a new development in business to advance so far that articles about it begin to appear in the periodicals.

Editors are not venturesome individuals; they are eternally fearful of pub-

lishing something that sounds "theoretical." But the minute they find it in operation in business they seize it as "practical." Then the men who write, you know, are not doers of things. They merely observe what others are doing. When they find a thing that is done, they write about it.

It is, accordingly, for reasons such as these that business trends go on for nearly two years before you see much about them in print. Then, all of a sudden, editors and writers work the subject to death. It then fills pages and pages, telling things which the leaders in business have been doing for a year or two, but which the rank and file of business concerns are just beginning to learn about.

Looking Forward

NO professional writer in America is more competent to analyze business conditions with relation to public warehousing than is H. A. Haring, *Distribution and Warehousing's* contributing editor and the author of books on the subject.

Storage executives who attended the 1928 convention of the American Warehousemen's Association will recall the deep impression which Mr. Haring made by his talk on the "terminal menace" which then confronted the industry.

Today two new problems—the manufacturer's modern inventory-control system, and the development of motor freight line depots—carry important significance, and—

In the accompanying text Mr. Haring discusses them both in connection with warehousing's future.

Here is a vision, as to what lies ahead, which no warehouseman can afford to ignore—an analysis which must make every reader ponder.

The reason you hear so little, of recent years, about "cutting the cost of distribution," "eliminating the middleman," and so forth, is that we have done it. American business has found ways to cut costs right and left. The scarecrow problem had disappeared because we have solved it.

We have immensely reduced the cost of distribution. All the "middlemen" have not, as well we know, been killed off or incarcerated. Nor the jobbers. But all useless gestures of their businesses have gone overboard. Business has studied the middleman's place and analyzed his services in distribution. It has done the same for the jobber. And, wherever either one of them went through a needless handling of goods, or tucked on an extra profit, or introduced a useless delay in getting goods to the customer—that practice has been discarded.

Costly, and needless, steps in distribution have been effectively eliminated. The "middleman" remains, and the "jobber," too. They bear the same names as in 1921, but a "jobber" of today is as unlike the "jobber" of 1921 as your present automobile, with balloon tires and four-wheel brakes, is unlike the old tub you drove in 1921. And, both with the "middleman" and with the "jobber" alike, the business they now do is done at a greatly reduced cost. We have better goods, and finer service, and we pay less.

All the wail of 1921-1922 has evaporated from our business conversations, solely and wholly because we have solved the problem. No one races for a street car after he catches it; we do not worry ourselves about what is no longer difficult.

Then another thing we as warehousemen must remember is that the railroads have greatly reduced the total volume of jobbing. You know the story without my recounting it—how freight movement everywhere has been speeded up, with deliveries one and two days ahead of the schedules of 1924 and 1925; how tracing of shipments has improved; how the reconsignment of cars has been hastened by 24 hours per movement; how the railroads have cut their own costs and given the benefit to shippers in the form of better service.

This more rapid handling of goods in transportation has hurt the jobbing trades more than we, who are not jobbers, can appreciate. It has accentuated the movement to sell direct from factory to retailer, and every instance of thus "buying direct" has eliminated one of the things formerly done by a jobber. Thus, with jobbing as a whole, every useless and unnecessary step has disappeared, and we have, to that extent, "eliminated" the jobber by eliminating the work he once did.

Effect on Warehousing

ALL this progress of these seven years has had an effect on merchandise warehousing. The quantity of goods in store has been reduced. Stocks with jobbers are less. Of special interest to ourselves, as warehousemen, is it that stocks in the warehouses also are less. The better railroad service has saved manufacturers from holding such large stocks as they did five years ago. Instead of two carloads of soap in each warehouse—to refer to one manufacturer of whom I know—which was their average stock in 1925, this soap maker on July first of this year reported an average of one half of one carload. One half of one car is but a fourth of two cars.

Do you realize what this means to you? In a year, supposing that you have this account, you handle just as much soap as you ever did, but—you handle it only. You do not store it. It goes through your hands—and through your books—but you distribute it largely as you break up the pool cars. Only one-fourth as much goes into and out of store. You are able to bill for storage, each month, one-half car as compared

with two carloads some four years ago. True, the soap manufacturer today maintains more warehouse stocks than he did, but you profit only from the quantity he ships in care of your warehouse. That quantity is a fourth what it was.

The soap manufacturer has completely changed his method of handling spot stocks in four years. In 1921 and 1922 he learned the disaster of over-stocks. Then, for three or four years, executives and owners were so scared that they studied their own business. They found that profits do not flow from large stocks of goods or heavy inventories. They learned that profits accrue from goods which are sold—not from goods in storage.

They have, in other words, instituted a modern inventory-control system. They call it a "running inventory" or "perpetual inventory" but what they call it makes no difference to you. The thing which does make a vast difference to the warehouses is that this soap maker rolls up just as much volume of sales in a year but with only one-fourth the stock of goods. He makes the same profit today as he did then but he makes it on an investment (in stock of goods) of \$100 against \$400 in 1925.

What this soap maker is doing, hundreds of other are doing. It is the business method of 1929. As it is projected into the years immediately ahead of us, this "running inventory" method of conducting a business has a most important relation to merchandise warehousing.

The improved railroad service has worked hand in hand to make possible these reductions in inventory. The two developments, together, have done much, very much indeed, to cut the costs of distribution.

Motor Truck Depots

DO not make the mistake of thinking that this progress of more and better service for less money has stopped. As we look into the immediate future we can clearly discern that merchandise warehouses will have yet more of the burden to shoulder.

For one very striking development, let us look at motor trucking.

The motor truck has largely displaced the railroad for short hauls. Not one of you will disagree with the statement that motor trucking has given faster handling of deliveries. The facts are too well known for us to dwell upon them.

You know what the truck has done to the railroads. It has gobbled the business. Now—recently—almost within a single year the motor truck has taken a new turn which may prove to be a menace to our merchandise warehouses.

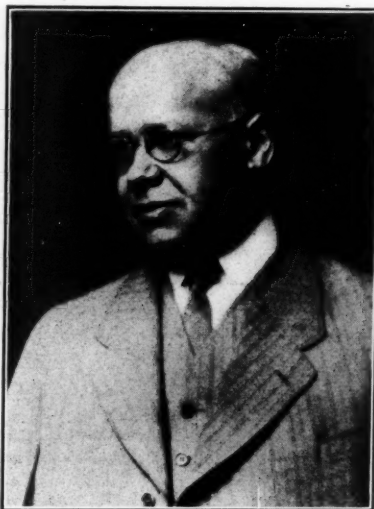
Just as the Allied Vans Lines have changed furniture warehousing in most unexpected ways, watch the merchandise trucks. Just now they are threatening to put some of the merchandise warehouses entirely out of business!

Motor trucks have caught the fancy of the promoter. The promoter seizes anything that can be "merged," for, in financial circles, mergers are the order of the day. Promoters, accordingly, are

approaching the owners of motor truck routes—not, particularly, to buy up their trucks or their routes, but to persuade them to merge their terminals, to build a "depot" in each town wherein the local pick-up service will center and from which waybilling will be done. The promoter blandly spreads out a most enticing story of simplification, of economies, of a central office, of advertising, of the profits from concessions for a lunch room, and so on.

Read one of their prospectuses, if you have not seen one; or, better still, go to one of their organization meetings. I have done both things.

All over the country, in this manner, we are having a rage for the erection



MR. HARING

of "motor truck terminals," or "motor truck depots."

Within these plans lurks a real menace to merchandise warehouses, because it is the most natural thing in the world for these depots to convert themselves into "terminal truck warehouses," either in name or in fact. That they will do so may be seen if you read a prospectus or attend a meeting. The promoters talk warehouse from the first moment. They hold out a vision that the depot will earn enough from concessions and from storing goods so that it will cost the motor truckmen nothing to belong.

These "other sources of income" are expected to profit more than enough to pay overhead for the building, telephone and clerks, handling in and out, sorting and assembling goods, bookkeeping and collecting the accounts.

Is it any wonder that the truckmen do all they can to bring warehouse accounts to their depot?

Consider, for a moment, the facts. Already the manufacturer has quit the railroads for the trucks. Now the truck-operators come along and offer him distribution for his pool car for less money than the warehouseman has been charging. They talk plausibly of how they eliminate one handling and one posting

of every item through the books. One less report is to be handled by the manufacturer in order to complete delivery of the goods. Then these truckmen promise storage of the un-pooled portion of the railroad car at a low rate. They go one step further by soliciting all his storage business.

They talk fast handling. They talk convenience of storing. They make great "ado" that their depots are open from five in the morning until eight or ten in the evening, as compared with the warehouseman's shorter day. One prospectus even announces: "These longer hours clip 24 hours from the time of deliveries, because all transferring and sorting is done at night. When morning comes your goods are loaded and ready to go." Atop of all this, they quote lower prices.

To the distant owner of goods all this is sure to sound alluring. It holds out the very thing we all want: better and more service for less money.

The inevitable result, as we look to the future, is such that we must do what our boys did in Europe ten years ago—draw up our belts on our hungry stomachs and go in for another fight.

Traffic managers and sales managers remember that they shifted from less-than-carload shipments to the motor truck. They benefited by the change.

Why not, therefore, shift to the truckmen's "depot" and quit the warehouse?

You know the answer—some of them have done it. Hundreds and hundreds of them are debating it, and every morning some piece of direct-mail literature makes it impossible to forget the question!

Today's Answer and Tomorrow's

You and I, of course, see all the flimsiness of these trucking depots as warehouses. We know the inadequate protection they afford, and how far short they will come of what the owner wishes for his goods. Most storers—the great majority, indeed—will turn a deaf ear to all this solicitation.

That is their answer today.

But what of the future?

Is it not possible that these truck depots will develop into real warehouses?

It certainly is.

And, if they do, you know where their storing business will come from? These truck depots will not underwrite a \$40,000 campaign for advertising in order to educate America as to the economy of the public warehouse. Not a bit of it! They will grab off your accounts—the fast moving accounts, the prompt payers, those with many stock turns per year, those with much of handling and little of storing. They will solicit your pool car accounts to a finish.

Yes, their storage business will come from your warehouses. As these trucking depots fill up, your monthly reports to the Department of Commerce will show a greater percentage of vacancies.

Viewed from any angle, as we look into the immediate future of warehousing, these motor truck depots look rather menacing.

Beat Them to It!

I WOULD not come 1,600 miles here to Kansas City, as your guest and so honored by you, to hang crepe over your convention platform, but, gentlemen, I nevertheless believe that in these motor truck depots lies the biggest problem that faces your industry. It is "big," in my judgment, chiefly because these depots fit so perfectly into the tendency of the times in distribution.

The motor truckmen have brought, in the handling and delivering of goods, better service at less cost than the railroads could provide. With that record behind them they now emerge with their depots—which are poorly disguised warehouses—offering storage service for less money than the warehouses can quote.

There is not better service than warehouses now give. It is by no means as good. But—and herein lies the danger to you—they may make their service good.

If they do, these depots will draw heavily from the established warehouses.

To you, of the warehouses, they will willingly hand over the advertising job. To your associations they will give the privilege of carrying on the tax fights before the Courts, and all the traffic fights before the Interstate Commerce Commission and the railroad commissions. In these great services to shippers they will not try to disturb you.

But—your nice accounts—these they most assuredly will disturb, and disturb pretty badly.

The remedy?

I believe you know what it is.

Quoting, if I may, a slang phrase, the remedy is:

"Beat them to it!"

ForeSTALL a motor truck depot in your city, and do it by all means.

Do this before some promoter outwits you with his smooth words and his greed

for the quick underwriting of profits.

Many of you already control motor trucking for your city. For such, the situation is already in hand and the menace is not to be dreaded.

If yours is the only warehouse in your city, and if, at the same time, you do not already have a hand on trucking, it may be wise to tie up the truck routes to your platform. Work out some plan to make your warehouse their depot, your railroad siding theirs, your telephone number theirs. Do this so effectively, and with such good service even if it costs something, that the truckmen will not be tempted to put up money to build a depot of their own.

If your city has several warehouses, get yourselves together. Agree upon something. Work out some plan, some scheme, looking to the same end as I have just stated. Don't fight among yourselves so that the trucks are driven away from the warehouses. Better, far better, let the business go to that warehouseman down the street rather than to let them build a depot for themselves—which will hurt the whole industry. Perfect some arrangement, some agreement among yourselves, which will bring the tailboards of those motor trucks to some warehouse.

If, as another instance, your city is large, the job may be broken up into zones. In such a city the truckmen are apt to establish more than one depot, rather than a "union depot" of them all. The warehousemen may, therefore, by cooperating, be able to break the truck routes into groups, corresponding to traffic as it radiates from the city, and thus retain the business for the warehouses.

The situation is one which demands forehandedness.

Once that a motor truck depot is launched for your city, it will be difficult to stem the tide. But if, on the contrary, the warehouses pull together

to the extent of providing the facilities which the trucks require, the danger may be averted.

Bear in mind, however, that such a depot is a natural development of motor trucking. Trucks, quite as much as railroads and trolleys, feel the real need of a common point for transfer, for interchange of traffic, for local pick-up service, for convenience of their patrons.

Your city has not forestalled the depot if one truck route starts from one warehouse and another from another. The only sure and certain way to forestall their building a depot is to bring the truck routes to some common center, where their interchange of traffic will be easy. That point should be the platform of a warehouse. If it is, your city will free itself from the menace of the motor truck depot.

Conclusion

AND so, gentlemen, once again we face the future.

The tendency of the times is to get more for our money, when we buy. Others who purchase expect the same thing.

Therefore, as warehousemen, who are sellers of a service, we must expect to give better service and more of it for less money, and, in order to prevent some outsider snatching away the cream of our present business, it is necessary to beat him to it.

The past year has shown, clearly and unmistakably, what will be the next development of our merchandise warehousing. It lies in the depot of motor trucks. Our course, therefore, is clear. The warehouses must see to it that these truck depots are controlled by the warehousemen; that they are a part of warehouse service. Unless this is achieved, much storage will be lost to the warehouses, and, after all is said, it is from the storing of goods that warehouses make their money.

Haring Leads "New Business" Breakfast Discussion at Missouri-Oklahoma-Kansas Convention

AT the joint Missouri-Kansas-Oklahoma convention, at which Mr. Haring made his foregoing talk on the industry's future, an innovation was introduced into the program in the form of a round-table discussion of "New Business for Warehouses." Inasmuch as the two days' program was filled with other events, the arrangements committee announced a breakfast for Saturday morning, Oct. 18.

Notwithstanding the early hour, 8 a. m., the breakfast was attended by more than sixty executives, and others dropped in for the discussion which followed.

So intense proved to be the interest in the subject that the round-table did not finally adjourn until 11.30.

The presiding officer was Frank M. Cole, general manager of the Radial Warehouse Co., Kansas City, and vice-president heading the merchandise divi-

sion of the Missouri Warehousemen's Association.

The discussion was led by Mr. Haring, who for nearly four years has conducted the "New Business for Warehouses" department as contributing editor of *Distribution & Warehousing*.

The interchange of ideas about new business was all the more timely because, as was pointed out at the round-table, the advertising campaign of the American Warehousemen's Association, which is shortly to begin, marks the dawn of a new phase in merchandise warehousing. Among those present was Donald D. Davis, vice-president of the Baxter-Davis Advertising Agency, who will direct the projected advertising campaign. Mr. Davis told the warehousemen that the campaign would be aimed to reach two classes of new business:

1. Those storers who can profit by

abandoning their branch agency storages and go into public warehouses for their distribution.

2. Young and growing business enterprises, whose owners may be taught the value of warehouses, as their concerns spread out from local to wider marketing. The campaign will definitely seek to present the warehouse to those who know nothing of physical distribution of goods.

The discussion developed the point that there is no formula for tying up new business. As many methods are possible as there are warehouses, but, in the solicitation of new business, imagination and originality are priceless.

One method which caused prolonged discussion is that of "selling more to one customer," in keeping with the best principles of merchandising commodities. This means for the warehouses, that to

(Continued on page 49)

Warehouses 71.8% Occupied in August as Against 71.2% in July

Record High of April Was Repeated, While Larger Percentage of Goods Entered Storage. Occupancy and Tonnage Figures Ahead of Last Year's Corresponding Ones. New York Port Now Separately Considered

By KENT B. STILES

SEVENTY-ONE and eight-tenths of the space devoted to general storage in public warehouses was occupied by merchandise at the end of August, as reported to the Department of Commerce by concerns operating 1,226

warehouses, according to announcement made at Washington on Oct. 16. The figures on which the percentage is based are subject to revision as additional reports are received.

Occupancy percentage as high as 71.8

has been equalled only once before since the Government began compiling these statistics, in January of 1928. The same figure was recorded at the close of April of the current year.

The 71.8 per cent exceeds by six-tenths of 1 per cent the occupancy figure at the end of July, and compares with 67.9 on Aug. 31 of last year.

The tonnage figures in the accompanying table show that 725,337 tons arrived at the 1,226 reporting warehouses during August, against 689,816 tons in July, or an increase of 35,521 tons. However, three more warehouses reported in August than in July.

Of the goods arriving at the warehouses, a larger percentage entered storage during August than in July. Of the 725,337 tons received in August, 75.9 per cent went into storage, the balance being delivered on arrival. This compares with 75.6 per cent entering storage during July, and with 73.5 per cent in August of 1928. The figures for the recent August are subject to revision.

Metropolitan New York

An innovation in the Government statistical movement is the inauguration of publication of figures covering the New York metropolitan district—the five boroughs which comprise New York City and the adjacent New Jersey territory which is recognized as being commercially part of the world's greatest port. More than 86 per cent of all the reporting warehouses in the States of New York and New Jersey are located within the metropolitan area.

It was the original plan of the Department of Commerce to show data for virtually all of the important cities, in addition to showing information by States, but the industry's cooperation has not been sufficiently whole-hearted to make this possible.

"Our inability to get every firm in each important city to cooperate," R. J. McFall, editor of the Government's *Survey of Current Business*, said on Oct. 16, "has, up to the present time, prevented the Bureau of the Census from continuing the plan.

"If showing the figures for the New York metropolitan district separately

PUBLIC MERCHANDISE WAREHOUSING

July-August†, 1929

Division and State	Number of Warehouses		Per Cent of Floor Space Occupied		Tonnage			
	July 1929	August 1929	July 1929	August 1929	Received During Month	Delivered on Arrival	Received During Month	Delivered on Arrival
					July 1929	August 1929	July 1929	August 1929
NEW ENGLAND:								
Mass. and Vt.	44	44	*56.8	57.6	*9,851	*1,540	10,389	1,657
Conn. and R. I.	15	15	59.1	58.8	*3,549	3,328	3,650	3,616
MIDDLE ATLANTIC:								
N. Y. Metropolitan Dis. (1) ..	331	329	78.9	75.3	73,457	16,889	81,890	9,747
New York	*329	327	77.7	72.1	*70,886	*21,245	76,068	15,332
New Jersey	52	52	78.9	82.3	18,738	1,901	21,910	1,190
Pennsylvania	56	56	70.6	70.1	30,427	3,990	31,410	4,643
E. NORTH CEN.:								
Ohio	31	31	89.4	89.8	46,358	5,644	45,045	5,728
Indiana	18	24	*76.1	82.4	*3,100	*1,360	2,516	1,515
Illinois	*61	61	*82.2	83.3	*69,535	*10,144	86,105	11,402
Michigan	55	55	66.2	67.2	30,654	3,463	19,841	3,147
Wisconsin	38	38	*92.1	92.1	*12,331	*3,027	10,942	2,821
W. NOR. CEN.:								
Minnesota	37	37	*73.1	76.6	*19,648	*6,715	20,030	7,218
Iowa	22	22	66.4	68.4	6,508	1,567	6,581	1,692
Missouri	20	20	75.4	77.1	*7,987	*1,332	8,281	1,528
N. Dak. and S. Dak.	9	9	*93.1	92.8	*2,821	*431	2,984	417
Nebraska	22	22	*64.6	64.8	*7,260	*2,801	8,356	3,154
Kansas	20	20	*83.0	82.3	*6,434	*4,975	6,076	4,610
SO. ATLANTIC:								
Del., Md. and D. C.	41	41	52.1	57.4	37,032	9,197	25,189	9,290
Va. and W. Va.	32	32	70.5	70.7	*6,762	*42,071	7,089	41,882
N. Car. and S. Car.	12	12	*64.9	61.6	*1,814	*354	1,860	681
Ga. and Florida	27	27	76.7	77.2	5,474	1,706	5,539	1,670
E. SOU. CEN.:								
Ky. and Tenn.	13	13	80.4	79.5	9,536	1,828	9,405	1,499
Ala. and Miss.	11	11	69.9	67.8	1,826	1,453	1,875	1,511
W. SOU. CEN.:								
Ark., La. and Okla.	22	22	69.0	70.7	13,213	3,216	13,482	3,123
Texas	52	52	*38.0	50.4	16,830	7,124	28,485	7,771
MOUNTAIN:								
Idaho, Wyo., Mont.	8	8	*70.1	74.1	*1,153	*1,299	1,161	1,370
Ariz., Utah, Nev. & N. Mex.	16	17	77.3	78.7	4,767	1,603	5,502	2,303
Colorado	17	17	77.7	73.8	*2,036	*2,013	1,829	2,212
PACIFIC:								
Washington	30	29	*68.3	75.2	*7,327	*3,146	17,146	3,830
Oregon	7	7	67.8	70.0	*12,678	*14,792	41,955	22,301
California	106	105	*76.9	76.9	*54,827	*4,865	29,753	5,770
Total for United States ..	*1,223	1,226	71.2	71.8	*521,362	*168,130	550,454	174,883

*Revised.

(1) Because of the importance of this territory, figures are shown separate from the State totals; this area includes all of the boroughs of New York and adjacent New Jersey territory.

†August figures subject to revision.

meets with a favorable response from the trade, we shall endeavor to show separate figures for a number of the other important centers."

Occupancy

INASMUCH as the August figures in the accompanying table are not final it is not feasible to compare them with those of the corresponding month a year ago. Comparison accordingly is here made between the July, 1929, and July, 1928, percentages.

The 71.2 per cent recorded as the occupancy mark of the 1,223 warehouses reporting at the close of this past July represents an increase of 4.1 per cent over conditions reported by 1,173 warehouses a year previously.

Higher percentage of occupancy was experienced at the close of the recent July—the following tabulation shows—in all the States except Michigan, Iowa in the West North Central division; Alabama, Mississippi, Arkansas, Louisiana and Oklahoma, in the South, and Oregon on the Pacific Coast:

States	Occupancy Percentage End of July	
	1928	1929
Massachusetts and Vermont...	49.3	56.8
Connecticut and Rhode Island...	56.6	59.1
New York Metropolitan District	78.9	78.9
New York	76.0	77.7
New Jersey	73.4	78.9
Pennsylvania	70.5	70.6
Ohio	81.4	89.4
Indiana	73.7	76.1
Illinois	73.0	82.2
Michigan	73.5	66.2
Wisconsin	75.6	92.1
Minnesota	69.2	73.1
Iowa	66.5	66.4
Missouri	76.3	75.4
North and South Dakota	84.9	93.1
Nebraska	53.7	64.6
Kansas	77.4	83.0
Delaware, Maryland and District of Columbia	49.8	52.1
Virginia and West Virginia	68.3	70.5
North and South Carolina	61.6	64.9
Georgia and Florida	70.7	76.7
Kentucky and Tennessee	71.6	80.4
Alabama and Mississippi	80.9	69.9
Arkansas, Louisiana and Mississippi	69.2	69.0
Texas	32.2	38.0
Idaho, Wyoming and Montana	58.8	70.1
Arizona, Utah, Nevada and New Mexico	70.3	77.3
Colorado	65.9	77.7
Washington	52.5	68.3
Oregon	71.0	67.8
California	73.1	76.9
Entire United States	67.1	71.2
Warehouses reporting	1,173	1,223

*Percentage not available. New York and New Jersey, 1929 column, include New York metropolitan warehouses.

Occupancy at the close of July of this year was reported higher than 80 per cent by the warehouses of only eight States—the Dakotas, Wisconsin, Ohio, Kansas, Illinois and Kentucky-Tennessee. Of these, only three—the Dakotas and Ohio—reported more than 80 per cent for the same month a year ago. Alabama-Mississippi reported 80.9 per cent for July of 1928 but the percentage decreased to 69.9 this past July.

Tonnage

THE August increase over July, for the entire country, from 75.6 to 75.9 per cent, of goods entering storage, out of total volume arriving, was reflected

Every warehouseman receiving the monthly questionnaires from the Department of Commerce owes it to himself and his industry to send in replies promptly.

in four of the divisions—Middle Atlantic, East South Central, West South Central and Mountain—as shown by the following tabulation:

Division	Percentage Entering Storage	
	July	Aug.
New England	73.4	72.7
Middle Atlantic	81.6	85.9
East North Central	87.3	87.0
West North Central	74.0	73.7
South Atlantic	49.0	42.6
East South Central	77.6	78.9
West South Central	74.4	79.4
Mountain	61.8	66.0
Pacific	76.6	73.6
Entire United States	75.6	75.9
Warehouses reporting	1,223	1,226

The foregoing August percentages not being based on final figures, comparison will here be made between July of 1928 with July of 1929, as follows:

Division	Percentage Entering Storage	
	July, 1928	July, 1929
New England	76.6	73.4
Middle Atlantic	82.4	81.6
East North Central	83.4	87.3
West North Central	71.5	74.0
South Atlantic	42.0	49.0
East South Central	77.2	77.6
West South Central	78.0	74.4
Mountain	58.8	61.8
Pacific	73.8	76.6
Entire United States	71.3	75.6
Warehouses reporting	1,173	1,223

It will be seen that the percentage gain this past July over the previous July, for the entire country, was not reflected in three of the divisions—New England, Middle Atlantic and West South Central.

Government May Revise System of Cold Storage Reporting

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

THE U. S. Department of Agriculture is considering various changes in its monthly cold storage report as a result of numerous requests made by cold storage warehousemen, it was announced at the Department on Oct. 21.

Among the changes being investigated, with a view to determining their feasibility, are the addition of peanut stocks to the report as a means of stabilizing prices; the segregation of the "frozen pork" item, which is made up of hams, shoulders and butts, as there are appreciable differentials in value between the various cuts which vary from time to time; and proposed inclusion of frozen poultry.

The latter plan is being considered inasmuch as the development of new methods of packing drawn poultry makes the present system of reporting this product

no longer representative of the actual situation.

—Michael M. McNamee, Jr.

Farm Board to Restrict Loans on Stored Commodities

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

APPLICATIONS for loans on storage and other physical facilities have been so numerous that the Federal Farm Board has taken action to restrict them. If a local cooperative organization does not belong to either a national or a regional marketing association it will be held as ineligible for a facility loan, under the Board's announced policy.

Exceptions will be made to this ruling, the Board explains, only in emergency cases where necessary to protect the cooperative movement from the loss of facilities.

The Board's resolution establishing this policy, as announced on Oct. 21, states:

"Subject to modification as experience in the application of the loan provisions of the Act indicate, that it be the policy of the Board that no facility loans be made except on a reasonable showing that the applicant is a part of a national or regional sales organization. The only exception to this rule will be where, in the opinion of the Board, the loan is necessary for the purpose of preventing the loss of facilities to the cooperative movement and a resultant discouragement to the cooperative movement that would warrant the loan."

The Board explains that the demands for loans threatened to divert so much of the revolving fund at the Board's disposal that very little would be left for loans on commodities and advances in connection with commodity marketing activities of the national and regional organizations.

This action will tend to slow down the building of warehouses and storage facilities in the smaller communities and will tend to concentrate the Board's loans on facilities to the major marketing centers.

—Horace H. Herr.

Correction

In the story regarding the activities of Clarence J. Neal in Cleveland politics, published on page 56 of the October issue of *Distribution and Warehousing*, it was stated in error that Mr. Neal is president of the Neal Fireproof Storage Co.

A. W. Neal is the firm's president. Clarence J. Neal is treasurer.

New Boston Company

The Bankers Warehouse Co., recently incorporated in Boston with a capital of \$175,000 to operate a general storage business, has taken title to a fireproof building, formerly used as a factory, at 29 to 31 Farnsworth Street, South Boston. The property is valued at \$44,000.

TWO BITS

Vol. X. No. 2

A Bit Here, A Bit There

Gotham, November, 1929

Ye Ed. Discusses Duty, Ottermobile-Driving, Frogs' Legs and an Important Moving Day Development

HERE it is the 24th of the mo. (Oct.) & we have not yet written *Two Bits*, & the 4th floor composing is dictatorially yelling for "copy" so that the Nov. "DandW" can go to press. We have $\frac{1}{2}$ a mind to leave the page blank, which would save on type-setting expense, but the other $\frac{1}{2}$ hints that we would lose our job on a/c of dereliction of duty.

THAT word "duty" sort of blankets our personal nervous system with a sense of discouragement.

Two Bits was inaugurated about 10 yrs back as a haphazard conglomeration of nothing whatever of moment, & now the darn thing has got so popular that it has been bringing in new subscribers averaging 1 every $2\frac{1}{2}$ yrs, & thus the writing of it has become nothing less than a "duty."

We either *got* to write it & get another subscriber by 1932 or we're liable to be fired & thereby have to discontinue *Two Bits* to the disappointment, or maybe the relief, of the 4 subscribers we have lured in during the past 10 yrs.

GETTING fired is no fun. The only time we ever did get fired was once when we were selling cigars & cigarettes behind an open-air stand down at Coney Island.

We was \$2.20 short, according to cash register record, at the end of the 1st day & we was unable to a/c for the deficiency.

But what else could the owner of the stand have expected from a minister's son?

THIS "duty" to write *Two Bits* having been established, we will mention again about How to Learn to Run an Ottermobile, which we told you how in last mo.'s (Oct.'s) issue.

We will disclose that the real test of whether you do know how or don't know how to run an ottermobile is to take your ottermobile into the traffic along 5th Ave., Gotham, at 6 P. M. (evening) on a Saturday, which we did.

It would be like being at Madison & Dearborn Sts. in Chicago at noon Saturday, which Chicago storagers who drive ottermobiles know what that is like.

We drove 6 blocks fine down 5th Ave. until a cop yelled at us "Hey, quit dragging your anchor!"

We told him "This is no ship. This is our new ottermobile. It is not equipped with any anchor so how can we be dragging any anchor?"

He said "That's enough outa you, Fat-head. Who in hell gave you a license to drive? Gwan out on Long Island somewhere an' practice up. An' beat it off 5th Avenue before you run up onto the sidewalk an' kill a blind man."

On a/c the cop followed us we made the next left turn off 5th & got over into 6th, where we found it was easier driving on a/c that there was parallel rows of elevated R. R. posts to guide us.

FURTHER to help fill up this page we will now quote a telegram which Geo. Dintelmann, the St. Louis storager, sent us, to our surprise prepaid, as follows:

DE EUGENE STEINACH VIENNA ANNOUNCES CENTRONERVIN CURE FOR STUPIDITY NEED QUART BADLY STOP NO NOT FOR MYSELF STOP CAN YOU ADVISE HOW TO PROCURE SAME OR WHERE CAN I GET RECIPE

Geo. like as not figured that if anybody could give him the information he wants it must be somebody who would write *Two Bits*.

Be that as it may, Geo., your problem is beyond our ken.

We admit to having got wedded last Jan. 4, but even that does not qualify us to be in a position to know how centronervin is concocted.

As a matter of fact, Geo., Dr. Steinach has not yet tried out any centronervin on human beings like yourself & Ye Ed.

We note in a newspaper dispatch from Vienna to the St. Louis *Globe-Democrat* that the stuff has been injected into frogs' brains only.

The effect on the frogs was terrible, Geo.

It gave the frogs so much memory that it made them leg-conscious.

Heretofore frogs'-legs have been edible food. What is more palatable than a well-developed frog's-leg? Well, as stated, centronervin—it resulted through Dr. Steinach's experiments—made the frogs leg-conscious on a/c that they was endowed with memories.

This did not bother the male frogs any, Geo., but the feminine frogs got worried to distraction; they got ashamed, & they communicated their newly-acquired sense of modesty throughout Austria's frogdom, so that already today well-developed frogs'-legs are hard to get when you go into a native restaurant & order them.

How the frogs feel about the situation is not important, Geo., but what is important is:

If centronervin should be injected into the brains of human beings, would it have the same effect, Geo.?

You & Ye Ed. both know, Geo., that some of the stupidest of feminine humans are perfectly constructed architecturally. Well, then, if centronervin should prove to have the same effect on feminine humans, stupid or otherwise, as it has had on the Austrian feminine frogs on which Dr. Steinach experimented, you can imagine, Geo.—at least, we can imagine that you can imagine—that would result.

No, Geo., it would not do, you must agree, for feminine humans to become leg-conscious through having their memories enhanced. Masculine humans are that way already, without the aid of centronervin, which is as should be, but it would utterly spoil scenic America, Geo., for feminine humans to become so.

So therefore, inasmuch as we feel as we do about it on this problem, Geo., you cannot expect Ye Ed. to "advise how to procure same" as per your unexpectedly-prepaid telegram. For all we care, Dr. Steinach could dump all his centronervin into the Danube, which would be harmless on a/c that fish have no legs.

THAT was a rather delicate situation which Geo.'s telegram led us to but we feel that we have handled it in an intellectual way. Handling situations intellectually is 1 reason why we have been enabled to increase our subscription list so rapidly, as heretofore recounted, at the average rate of 1 in every $2\frac{1}{2}$ yrs.

NO industry's magazine, like *Two Bits* is to the storagers' industry, is complete without birth statistics so we will now give you 1. William Watson Dunlap arrived Oct. 1, too late to get mentioned in our last mo.'s paper. W. W. is the 3d son of "Red" Dunlap, the Buffalo storager.

Two Bits has no desire to criticize any persons too young to retaliate, but the way it looks to us is that W. W. should have deferred his advent on a/c that Oct. 1 is moving day. He should have realized that like as not his father would be pretty busy anyhow on Oct. 1.

Storagers can become fathers pretty economically, when you stop to think about it, on a/c that they can always borrow cradles & baby carriages out of other people's goods in the warehouses without the owners knowing anything about it.

BOOKS AND PAMPHLETS OF INTEREST TO THE INDUSTRY

These Can Be Supplied, at the Prices Indicated, by

DISTRIBUTION AND WAREHOUSING

249 West 39th Street, New York City

Distribution and Warehousing's Warehouse Map of New York City

Price \$2.00

This map, in colors, and produced for us by Rand, McNally & Co., sets down the geographical locations of public warehouse companies—merchandise, household goods and cold storage—listed in the New York City sections of our 1929 Warehouse Directory (January) issue. Each company is designated by a number, and the companies' names and their corresponding numbers are shown.

On regular map paper, with metal edges top and bottom. Size, 23 by 33 inches. . . . For the shipper of commodities and household goods into the New York territory this map will be found invaluable.

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By H. A. Haring

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Contents include all warehousing regulations prescribed by U. S. Customs authorities, and information on how to become bonded; also warehousing standard terms and conditions.

The Distribution Age 3.20

A Study of the Economy of Modern Distribution.
By Ralph Borsodi

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Selection of site, building design and construction, accounting, stowing, insect control, estimating, cartage, packing, rates, insurance, etc.

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By Benjamin S. Kirsch

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A comprehensive treatment of traffic management.
By G. Lloyd Wilson, Ph.D.

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Regulations, as prescribed by Department of Agriculture, for warehousemen storing canned foods.

Warehouse Directory (subscription to *Distribution and Warehousing* included) . . . 3.00

The industry's annual reference volume, containing statistics and data regarding warehouse companies throughout the United States and Canada. The 1929 edition appears as part of the January issue of *Distribution and Warehousing*. Single copies each 5.00

Warehouse Forms 0.10

Simplified Practice Recommendations No. 34 of the U. S. Department of Commerce. Describing and illustrating the standard warehouse documents approved by the Government.

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Trade customs and practices; financial and legal aspects.

By H. A. Haring

Warehousing General Merchandise—An Encyclopedia

Prepared by the American Warehousemen's Association.

Regular Edition to A.W.A. members: Vol. I, 10;
Vol. II, \$5. Both 12.50

Regular Edition to non-members: Vol. I, \$15;
Vol. II, \$7.50. Both 20.00

De Luxe Edition (limp leather binding, India paper) to A.W.A. members: Vol. I, \$15; Vol. II, \$7.50. Both 20.00

De Luxe Edition to non-members: Vol. I, \$20;
Vol. II, \$10. Both 25.00

Please Send Payment With All Orders

DISTRIBUTION

Its Economic Relation to Public Warehousing

Number 56

Taxation in the Forty-Eight States for the Manufacturer Who Distributes Nationally

By H. A. HARING

NEARLY every business begins in a small way and, as progress is made, extends over a wider area in the distribution of its product. Thus, imperceptibly, the management falls amuck of the little-understood laws of the 48 States in their regulation of corporations from other States which transact business across State lines.

So long as a man does business under his own name, or as a partnership without incorporation of the concern, he may cross State lines for any purpose. It is, as we all learned in our schoolboy days, a principle of the Constitution that "the citizens of each State shall be entitled to all the privileges and immunities of citizens of the several States." This is a sentence whose meaning we did not know when we "orated" as youths. It does mean that an individual doing business for himself and in his own name may enter any State and carry on business without liability for reporting or for paying taxes as a "foreign corporation." His employees and agents are equally free from local interference.

Thus J. P. Morgan & Co.—a partnership—may do business anywhere in the United States without regard to

the corporation laws, while The National City Bank—with offices next door on Wall Street—because it is a corporation, must comply with the law.

For many years until 1925 there was in Cleveland a partnership known as M. A. Hanna & Co., owners of steel mills, coal mines in four States, iron ore mines in Minnesota, a fleet of vessels on the Great Lakes and sales agencies at many places. Owing, however, to changes in the controlling families, this partnership was incorporated. At once followed a tidal wave of legal complications which brought fat fees to their attorneys, but which added considerably to the company's operating costs.

For, as all learn who "go national" in their distribution, an incorporated company is not an individual. "It is an artificial person, a creature of the law of the State wherein it was organized." The corporation, therefore, enjoys not the privileges of an individual as guaranteed by the Constitution, but it enjoys only such privileges as the States choose to confer. The individual may do business with the freedom of a postage stamp or as carelessly as he travels in a Pullman from State to State; the rights of the corporation are minutely circumscribed.

What Is "Doing Business"?

SO long as the corporation operates from its home office, in whatever State domiciled, it has the right to send salesmen into any State for solicitation of business. It may seek business through the mails. Delivery of the goods may be made so long as shipment comes from the home State. All contracts are lawful; their terms may be enforced through the Courts. No formality, or specific authority, or reporting, or tax paying, follows, because the transaction is "interstate" in character and no State is permitted to lay hand on the undertaking.

Should such a corporation, on the other hand, open a local office within another State for convenience of covering the territory, its act approaches the dead-line of danger. Should it establish a warehouse stock outside its own State, it is time to look to the law—that spot

stock in some States is dangerous; in others it is clearly permitted.

This "doing business," in the legal sense, is a phrase of vague meaning. Despite Court decisions almost without number which have sought to elucidate the forty-eight sets of law, no one has been able to give a clear-cut definition that tells an officer whether the acts of his corporation constitute "doing business" or not. The circumstances of each case must be taken into account—a situation that is not always easy for an executive whose mind is centered on expanding a business.

A striking example of the pitfalls is the instance of a salesman of the Grand Union Tea Co. of Brooklyn who was employed to take orders in Michigan. All orders were shipped from Brooklyn, but, at one time, this salesman had two cans of toilet cream left on his hands. These he sold to a householder in Muni-

cing, whereupon he was haled into Court as a "peddler" without license. He was fined. The employing company carried the case through all the Courts, even to the Supreme Court at Washington, but in every Court the decision went against the firm. It was held that the two cans of cream had "come to rest" within Michigan before sale; that, therefore, the salesman had become a peddler and the corporation, unwittingly, had become guilty of "doing business" without lawful authority.

Single Act or Isolated Transaction

THIS instance is extreme. For, ordinarily, it requires more than a single act to make a corporation liable. There is involved the thought of continuity of conduct. In this Michigan case, the salesman's act was not isolated but was a part of the corporation's method of doing business. Isolated cases are not

DISTRIBUTION

Its Economic Relation to Public Warehousing

dangerous, provided they are genuinely single transactions and unintentional infractions of the law.

The theme of isolated transactions is much magnified in the defense of corporations at trial. Their attorneys build up fanciful structures of innocent overstepping of the law or of inadvertent neglect, but, as one reads the decisions of Courts, it is apparent that the judges give little heed to the arguments in this particular. The line of guilt or innocence lies "in the facts and in the motives." Wherever it is evident that the corporation has circumspectly kept just within the law but has been sailing close to the technical line of guilt, a single transaction has been interpreted as indication of continued conduct. The first infraction of the law, under such circumstances, has been taken to be as wrongful as succeeding ones.

Office in a State

TO maintain an office in another State comes close to the line of entering that State to "do business." Having a local bank account, the delivery of a repair part, the sale of a sample, the confirmation of a contract at the local office, the acceptance of a payment for an account—any act so simple as any of these might be seized upon by some watchful State official to hale the corporation into Court. It might be cited in a suit to prove that the corporation is unlawfully transacting business.

It is, nevertheless, well established that such an office may be kept up as headquarters for salesmen in the territory, even for customers to inspect goods before ordering, so long as shipments come from some point outside the State and orders are confirmed from the home office only. The business is kept purely interstate in character, and the local office used to that end. The Supreme Court has repeatedly sustained this position, even in the face of laws by the States which specify such an office as "doing business."

Yet, as already suggested, to maintain such an office requires constant vigilance for oversights that look innocuous but which are far-reaching in their implication.

Maintaining Warehouse Stocks

THE example already mentioned wherein two cans of toilet cream "came to rest" in Michigan will illustrate the effect of holding spot stocks in distant States. For, in a general way, a stock of goods for servicing customers usually constitutes "doing business" within a State. "Usually" is not, however, "always," and in this respect there is again dragged into the fore the baffling nature of "doing business," as defined by the States.

Several States have sought to remove uncertainty by including in the law some such clause as that "every corporation that has a distribution point within this State shall be held to be doing business within the State." But contradictions abound. One corporation had no office or place of business in Maryland but did keep goods in a Baltimore warehouse. All invoices were prepared from the home office in another State. Nevertheless the Maryland authorities held that such transactions were not interstate in nature, and it is therefore clear that in Maryland a stock of goods in warehouse constitutes "doing business."

There is, too, the rather well known case of Mellin's Food Co. which held a spot stock in New York with a warehouse company. By using the familiar accredited customers' list the warehouse filled requisitions for goods, reporting the deliveries to Mellin's home office at Boston, from which place invoices followed. Yet the Courts told Mellin that it had been "doing business" in New York State without lawful authority, with the warehouseman as "managing agent." In this case the manufacturer was told that its act had not been "casual and occasional," but "clearly systematic and regular"—by which test the corporation was adjudged to be guilty.

Similar results have come from other instances. But it is a mistake to conclude that all warehousing of goods becomes unlawful. Many instances may be cited of the opposite result. States have even contradicted themselves, as in Minnesota where the Courts have decided both ways on this important matter. With some States, of which Illinois is an example, the Courts have adjudged that to operate a spot stock through a public warehouse is "interstate business" and does not require compliance with the law for corporations. Only a small number of States, however, specifically permit warehousing of goods without compliance with the law.

To deal, however, through a commission merchant or an agent who buys the goods for his own account and then distributes them is a safe procedure. A corporation may, in this manner, organize a selling subsidiary within a foreign State and deal with that subsidiary as though it were an ordinary customer. This is wholly lawful. It is not lawful to ship goods on consignment, because, in that case, title remains with the shipper. Consigned goods are not "sold," but are held for sale.

Repair Parts and Installation

SPOT stocks of repair parts have been dangerous. To maintain such a supply brings the manufacturer into relations of "servicing" his product

within the State, and "servicing" is "doing business."

To install equipment has been even more dangerous. To set up machinery or equipment which is so complicated that local workmen could not do the work is an act of interstate commerce. It is therefore lawful. But if, on the contrary, the corporation installs mere ordinary machinery such as could reasonably be done by local mechanics, the case takes on another color. It ceases to be interstate commerce!

A soda fountain, for example, may be sold and shipped as interstate commerce, but the installation is so simple that the selling corporation better not erect it; but the installations of radio broadcasting stations are so intricate and complicated that the makers have sent their factory crews to do the work.

Another angle to installation is the repair or reconditioning of equipment which has been damaged in shipment, or refused by consignee, or repossessed for non-payment of the price. Often litigation follows such transactions, in the effort to collect the cost or allocate responsibility for damage, and attorneys do not hesitate to stress the work done by crews from the factory who have been sent out to condition the product.

An association of appliance manufacturers once compiled a list of the things they are not permitted to do in other States. They report that the manufacturer becomes liable to the law for the following:

Shipping machines into another State prior to their sales and selling them after they reach the State.

Selling traded-in machines without first shipping them out of the State in which they were taken in trade.

Doing repair work on machines already in another State.

Installing machines within another State, even to set up boilers or water heaters, etc.

Sending an agent into another State after the machine has reached that State "for the purpose of demonstrating that the machine would do the work represented in order to consummate the sale."

Keeping within another State a stock of repair parts or replacement parts.

Meeting the Situation

HOW to meet the situation becomes one for decision by the firm's legal department and financial department. It is a question for a "lawyer and the company's treasurer."

No hard and fast rule can be laid down. A small corporation saves money by qualifying in each State and paying the assessments each year, but, as soon as a corporation gets into the million-

dollar class, this method becomes expensive because tax collectors never tire of trying to lay heavy hand on such concerns. They feel that any added tax will be paid, even if unjust, before the corporation will stand for a suit.

Larger corporations, actually, adopt a sort of middle-of-the-road policy. For States where the tax is small and the reports not too inquisitive, they qualify the parent corporation and pay the annual tax. For other States, where the law is harsh, they incorporate subsidiary companies. This method is followed rather generally when doing business in California, New York and Texas, with an ever increasing list of other States wherein it becomes "wise."

With a list of reports required, the initial and annual fees exacted, any corporation officer in an evening can prepare a list of States from which he can work out the least costly method. The published books give the rate of taxation for each State. This rate is based either on:

- (1) Capital and surplus of the company;
- (2) Proportion of capital represented by business to be done within the State;
- (3) Volume of business to be done;
- (4) Proportion of total volume done within the State;

(5) An income tax for business within the State; or

(6) A flat fee without regard to these elements.

The cost will, obviously, differ for each corporation, but an officer, knowing the facts for his own corporation, can quickly estimate the cost.

Geography

THEN, with this estimate, he can group States geographically. Thus it is usually found best to incorporate a California subsidiary (under the laws of such a State as Arizona) and then have this subsidiary qualify for doing business in seven or eight States of the Pacific Coast. Another group centers about the Texas subsidiary; another about that for Massachusetts; one for the Delaware corporation, and so on.

Forty-eight subsidiaries are not necessary. Usually six to twelve cover the country, with minimum of cost.

The subsidiary for a million-dollar corporation will have capital of \$10,000 or possibly \$100,000, and its tax payments are thus quickly scaled down from thousands of dollars to a few hundred, following the principle of "higher brackets" for all taxation. The smaller the corporation, the more "lower brackets" are found in its tax bills.

Yet another method is to establish agencies rather than branches. Bur-

roughs Adding Machine Co., to illustrate this method, does not have factory branches but uses an agency system, by which the agent in a city finances himself. He buys machines and repairs outright from the factory at Detroit, as any retailer would do. He finances himself. Although he works under supervision and help from the parent company, he is in business for himself. Thus Burroughs does not become liable to the law, because Burroughs is in no sense engaged in business in any State except where the factories stand.

This method is the one adopted by the automobile makers, most of the electric refrigerator and oil burner makers and others of that sort. Radio manufacturers work on the same principle, with jobbers or "distributors" in the principal cities. Each represents the factory, because the factory makes it worth while to follow standardized sales procedure, but each distributor buys and sells for his own account.

In fact, with a growing range of specialty and equipment makers, the agency mode of distributing, rather than the branch office, has become popular, and, chiefly if not wholly, for the reason that thus the corporation escapes all the nuisance and the cost of trying to "do business" in other States on its own account.

Income Tax Law Ruling of Interest to Warehousemen

DISTRIBUTION AND WAREHOUSING'S
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FURTHER elucidation of the personal service classification of the income tax law as applied to warehouse companies is found in a decision just promulgated by the United States Board of Tax Appeals. The case decided is one in which David T. Long, of Shelbyville, Ky., was the petitioner, seeking relief from the action of the Commissioner of Internal Revenue, who had determined a liability against the petitioner in the amount of \$3,384.50.

One of the errors asserted by the petitioner was the refusal of the Commissioner to classify the Star Warehouse Co., a Kentucky corporation with principal offices at Shelbyville, as a personal service corporation for the taxable period. Dealing directly with this phase of the case, the Board in its opinion states:

"We have repeatedly held that to be entitled to personal service classification, it must be shown that the income of a corporation is primarily attributable to the activities of its principal stockholders, who are themselves regularly engaged in the active conduct of the business, and in which capital is not a material income-producing factor. The limitations and requirements must all exist and the failure of any one defeats the claim for such classification.

"We think the evidence in this proceeding fails, in at least one particular,

to satisfy the requirements above detailed. We do not believe that the income of a corporation is 'primarily' ascribable to the stockholders simply because they obtain its business by solicitation, when it appears that the corporation renders to its customers expert service necessary to the marketing of the customers product and which service is not shown to have been rendered by stockholders.

"It appears that the company had the service of about 25 tobacco graders who are experts in the classification of tobacco into grades for sale. It would be unreasonable to assume that the service of these graders was not a factor influencing the farmers in bringing their crops to the company for sale. Furthermore, the petitioner sold by auction and the identity of its auctioneers is not shown.

"With the exception of the petitioner, Charles McMakin, Eugene U. Wigger-ton, and Kenneth Fry, it does not appear that the stockholders rendered any service to the company beyond their solicitations and their presence on sale days.

"In *Patterson-Andrews Co., Inc.*, 6 B. T. A. 393,399, in speaking of the requirement that the income of a personal service corporation must be primarily attributable to the activities of the principal stockholders, we said:

"In our opinion this clause means more than that the stockholders shall obtain the clients and supervise the work, or that clients

shall look to their experience; it means, among other things, that the corporation may not rely upon non-stockholders to do a substantial amount of the work which produces the income whether such work be detailed or supervisory."

"We think also that capital was a material income-producing factor. The company had a valuable plant which was an important factor in the production of income and without which it could not have successfully carried on its operations.

"Upon the record, we hold that petitioner has failed to establish that the income of the company was primarily ascribable to the activities of its principal stockholders. We are therefore unable to declare that the company was a personal service corporation during the taxable period involved."

Applying the principles enunciated in this decision, it appears that no warehousing company may obtain the benefits incident to classification as a personal service corporation if any of the activities incident to the business are carried on by hired employees. Indeed, it would seem that the ownership of a warehouse in itself would preclude personal service classification, as it is stated in the opinion that "the company had a valuable plant which was an important factor in the production of income and without which it could not have successfully carried on its operations."

—Horace H. Herr.

Validity of Sales Contracts and the Guarantees of Supply Salesmen

Twenty-second of a Series of Legal Articles

By LEO T. PARKER,
Attorney-at-Law

CONTRARY to the opinion of a majority of persons, a signed order given a traveling salesman by a purchaser of warehouse supplies is not binding, unless the seller either notifies the buyer of his acceptance of the order, or begins manufacturing the goods according to the specifications of the order, or ships the goods to the buyer before receiving cancellation, or performs some other expenditure while relying upon the sincerity of the order.

In other words, a salesman's implied authority is merely to solicit orders and submit them to his employer for acceptance. Therefore, *either the buyer or the seller may cancel an order given to a salesman, if such cancellation is made at any time previous to performance by the seller of one of these acts.*

When Order Is Valid Contract

PROBABLY the facts of a leading case on this subject will impart information better than mere explanation. In this case a manufacturer employed a salesman who was not given any unusual authority. The salesman solicited and received an order for a large quantity of fixtures. The order was in writing and signed by both the owner of the warehouse and the salesman. The buyer gave the salesman a check for \$100 as a cash deposit on the order.

Upon receiving the order from the salesman the manufacturer cashed the check and immediately wrote the buyer, enclosing his own check for \$100, explaining that the order was unacceptable because the profit he would realize was insufficient for the reason that the stipulated price was too low. The manufacturer also stated that if the owner of the warehouse would agree to accept a cheaper quality of fixtures the order would be shipped immediately.

When the buyer refused this counter proposition the manufacturer sent the salesman to visit the buyer. The salesman explained that it was necessary to cancel the original order and finally accepted another order, with a cash deposit, at exactly the same price originally refused by his employer. When the manufacturer refused to fill the second order the buyer instituted legal proceedings to recover \$600 damages alleged to have been sustained because of the manu-

facturer's refusal to comply with the terms of the contract of sale.

However, it is important to observe that in the face of these circumstances the Court held the manufacturer not liable, and explained that a firm is not required to accept and fill orders solicited by its traveling salesmen, unless the manufacturer has by his conduct led the buyer to believe that the salesman has special authority.

Therefore, the law is well established that a manufacturer is not bound by the contracts made by his salesmen, nor is the seller bound to ship an order in accordance with the verbal or written promises of the salesman, unless the seller has in some manner caused the buyer or his authorized employee to believe that the salesman is possessed of proper authority to make binding contracts of sale.

On the other hand, the law is well established that, inasmuch as the relation of principal and agent exists between a firm and its salesman, the firm is responsible for the acts which the salesman commits within the scope of his authority. Moreover, a general authority to transact business may be conferred purposely or unintentionally upon a salesman, under which circumstances the manufacturer is liable for contracts, promises, or guarantees made by its salesmen.

Legal Classification of Salesmen

THE law recognizes two classes of agents or employees—namely, general and special. A manager, for illustration, is a general agent, because he is employed to perform all acts necessary to the successful conduct of the business. A salesman is a special agent whose authority is limited to the performance of a single act or a special kind of service for his employer. However, the accomplishment of this special service may necessitate the performance of many different acts, and the salesman's employer may confer upon him a general agency.

Therefore it is well settled that a manufacturer is bound by all warranties or other statements made by its salesmen, if it is proved to the satisfaction of the Court that the manufacturer performed some act by which he con-

ferred upon the salesman a general agency.

This effect may be produced by actually giving the salesman general authority, or permitting him to make a guarantee and then acknowledging the same to the warehouseman in language which indicates that the employer is satisfied to accept contracts of sales containing guarantees made by his salesman.

Another certain way by which a manufacturer may be held responsible for all agreements and warranties made by a salesman is to sign a written contract of employment which is formulated in a manner that indicates to a buyer of warehouse supplies, who reads the salesman's copy of the agreement, that general authority is conferred upon the salesman. This point of the law has been decided by numerous Courts.

However, the mere fact that a seller permits his salesman to carry and display to prospective purchasers various catalogs, written descriptions of merchandise, etc., does not imply that the salesman is possessed with unusual authority.

For instance, in *Sellers Motor Co. v. Orgill Bros.* 116 So. 883, it was disclosed that a salesman sold merchandise containing his employer's *printed* guarantee. The salesman made verbal guarantees that the product should prove satisfactory to the purchaser.

Suit was filed against the manufacturer for damages on the contention that the goods did not equal the quality guaranteed verbally by the salesman. However, the Court refused to allow any damages.

When Manufacturer Is Liable for Guarantee

ALSO, the law is established that although a salesman enlarges the scope of a *written* guarantee, without authority, the buyer may not legally reject the merchandise if the same conforms with the written guarantee.

For example, in *Continental Co. v. Smith*, 7 S. W. (2d) 1060, a purchaser refused to pay for a shipment of merchandise on the contention that the salesman misrepresented the quality of the merchandise. However, as the testimony proved that the quality of the goods was

clearly specified in the contract of sale, the Court held the buyer liable, saying:

"Solemn written contracts cannot be evaded or set aside at the will of one of the parties without the consent of the other. The time for a dealer [buyer] to consider consequences of this act is before he attaches his signature to a written contract, and not thereafter . . . but he should have thought of how it would look when he considered it uninfluenced by the persuasive talk of the agent."

Also, it is important to know that a selling firm may be liable for contracts of sale or guarantees made by its representative if the custom, in the territory in which the contract was made, is that salesmen have authority to make valid contracts for their employers.

In another recent case a Court held a manufacturer bound by a guarantee made by his salesman, where it was proved that the manufacturer had previously explained in a letter received by the purchaser that the salesman possessed authority to enter into binding contracts for the sale of merchandise.

Still another Court explained that although an employer does not authorize his salesmen to sign contracts, and does not lead others to believe that his salesmen have such power, yet a contract made by the unauthorized agent will be held valid if the employer fails, within a reasonable time, to notify the other party that the agent has exceeded his authority. (285 S. W. 516)

It is, also, well established that a selling firm is not responsible for acts done by its salesmen outside the scope of his authority.

For example, in a recent case it was shown that a salesman, whose authority was limited to soliciting orders, collected money from a purchaser as payment for goods previously shipped. The salesman misappropriated the money, and the customer sued the salesman's employer to recover the amount paid. It is interesting to observe that the Court held the employer not required to credit the customer's account with the money which he had paid to the salesman, because the latter acted outside his scope of authority when accepting the money.

On the other hand, it is well established that if a salesman deceives a purchaser when soliciting an order, and makes false statements by which the latter is induced to sign a contract of sale, the warehouseman is not bound to accept the merchandise and pay for the same. This is true because the salesman performed fraudulent acts while acting within the scope of his authority to sell merchandise. (279 S. W. 531)

Validity of Printed Notices on Order Blanks

IT is certain that a printed notice on a salesman's order blank is important evidence in a controversy involving the latter's authority. For example, in a recent case it was held that a selling firm is not liable for an unauthorized guarantee made by its salesman where it is disclosed that the salesman's order form contains a notice saying in effect:

"Our salesmen have no authority or power to enter into binding contracts for the sale of merchandise, or extend guarantees, or alter this agreement, or to bind us by verbal agreements."

Therefore it is quite apparent that purchasers who deal with salesmen should obtain a written statement from their employers that the salesmen have authority to make binding contracts. Otherwise the legal effect of an order solicited and taken by a representative, and all verbal and written guarantees, agreements, and promises, are subject to cancellation and repudiation by the employer. Obviously, however, a manufacturer is bound by any written guarantee inserted, by the salesman, in a printed order contract provided he approves the order, or acknowledges receipt of it without commenting on the written insertion.

When Buyer May Cancel Order

INASMUCH as an order for merchandise signed by a buyer, or any other authorized person, is a mere offer to purchase merchandise, conversely the offer is not a binding contract with

Next Month

TECHNICALITIES created by the comparatively recent workmen's compensation law enacted by States will be discussed by Mr. Parker in his twenty-third article, to appear in the December issue. The coming text makes clear the distinction between liability under common law and liability under workmen's compensation statutes affecting warehousing.

respect to the buyer, until accepted by the salesman's employer. Therefore the buyer has the same privileges as the seller, and he may cancel the order at any time before the selling firm sends its acceptance.

For example, in the very recent case of *McCasky v. Bowman*, 287 S. W. 755, it was disclosed that a seller gave a signed order to a salesman for merchandise. Two weeks after signing the order the purchaser verbally notified the salesman that he did not want the goods. About ten days after this, the salesman's employer wrote refusing to accept the cancellation of the order and proceeded to ship the goods. The purchaser refused to accept the shipment and the seller filed suit on the grounds that the order blank contained a printed stipulation that the order was not subject to cancellation.

However the higher Court held the buyer entitled to cancel the order and not liable on the contract of sale, saying:

"A countermand of an order of goods received before their shipment is effective, as no contract is made until after the offer of purchaser is accepted."

Buyer Liable on Notes

STILL another important point of the law is that a warehouseman who gives notes in payment for merchandise is bound to pay the notes, although the goods prove unsatisfactory and do not equal the guarantee, providing the manufacturer indorses and discounts the notes to a disinterested party. Therefore, every note given in payment for purchased goods should contain copy of written guarantee by manufacturer.

In other words, a person who takes promissory notes in good faith from the payee, or holder, is not bound by any agreements, not known to him, between the original maker and the payee. However, this law is not applicable to "assigned" notes.

For instance, in the recent case of *Carius v. Ohio Contract Purchase Co.*, 164 N. E. 234, it was disclosed that a warehouseman purchased certain equipment for \$1,500, giving in payment thirty promissory notes for \$50 each. The notes were secured by a mortgage.

Soon after the seller of the equipment received the notes he sold them to a financing company and indorsed them "For value received, I, we, hereby assign this note and the mortgage securing it to . . ."

It seemed that the warehouseman failed to pay one of the notes when due, and the financing company instituted suit to collect the balance due.

The warehouseman proved that the reason he failed to pay the note was that the equipment failed to render service equal to the guarantee issued by the manufacturer when the contract of sale, the mortgage, and the notes were signed.

The financing company, which had purchased the notes, contended that, as it had purchased the notes as a *bona fide* holder, the warehouseman was bound to pay the same irrespective of the guarantee between the manufacturer and the dealer. However, the Court held the financing company not entitled to collect the money on the notes which were assigned, although it was admitted had the notes been merely indorsed the warehouseman would have been liable.

Warehouseman Liable for Payment

IRRESPECTIVE of the legal rights of a warehouseman, with respect to unauthorized guarantees or statements made by a salesman, the former is compelled to pay the contract price if he appropriates the goods.

For illustration, in *Administration v. Roquemore*, 117 So. 757, it was shown that a warehouseman objected to accepting purchased merchandise because it did not equal the samples submitted when the contract of sale was signed. However, the deliveryman insisted that the warehouseman accept delivery, and he finally consented to permit the goods to be left in his warehouse.

The merchandise disappeared and the warehouseman refused to pay the account on the contention that he had explained when delivery was made that he was not satisfied with the quality of the goods.

The Court held the seller entitled to

recover the full purchase price, saying:

"It is true that where goods are expressly rejected, their mere deposition on the buyer's premises, even with his consent, will not in itself create an acceptance, nor become an effective delivery. . . . Receipt does not necessarily mean acceptance. . . . And, while a mere receipt of goods is not in itself an acceptance of them, it may be, under favoring conditions."

Also, in *Peabody v. Steel Fixture Mfg. Co.*, 264 Pac. 27, it was shown that a purchaser returned merchandise to the seller and refused to pay the account because the goods did not conform with the guarantee.

The seller discovered that the returned goods were disfigured in many respects, probably as a result of being unpacked and inspected by the purchaser. The seller sued to recover the full selling

price, and the Court held the buyer liable, saying:

"When the buyer retains goods . . . and especially where in such use he mars and disfigures them, without the knowledge or consent of the seller, in such a way that they cannot be returned in the condition in which they were received, the acceptance is regarded as complete, and he cannot thereafter be heard to say that he did not accept them."

Yohe Uses Radio to Tell of Federal Warehouse Receipt

DISTRIBUTION and WAREHOUSING'S
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1163 National Press Building.

BOTH the Federal Farm Board and the Division of Warehousing of the Department of Agriculture are endeavoring to teach farmers in all parts of the country how to make better use of their local warehousing facilities. In line with this educational activity, H. S. Yohe, principal marketing specialist of the Division of Warehousing, in a recent radio lecture, outlined how warehousing facilities of a given locality may prove important factors in orderly marketing and in ultimate profits to the producers who use these facilities intelligently.

According to Mr. Yohe, orderly marketing depends on two essentials: first, adequate and proper storage, and second, money to carry the products while in storage awaiting marketing. He advised his radio audience that cotton, any grain, wool, tobacco, potatoes, dry beans, peanuts, cane and maple syrup, honey, dried fruits, cottonseed, canned fruits and vegetables and cold packed fruits may be stored under the Federal Warehouse Act.

"If you want to give it a trial," Mr. Yohe explained, "take it up with your warehouseman. If he isn't licensed, have him write the U. S. Department of Agriculture, Washington, D. C., or if you want to know the nearest licensed warehouse to you, drop us a line and we shall be glad to inform you."

Explaining the procedure involved in storing commodities in licensed warehouses, and in the use of the warehouse receipt as loan collateral, Mr. Yohe said:

"A public warehouseman, storing agricultural products, applies to the Secretary of Agriculture for authority to operate his warehouse or elevator under the terms of the Federal Warehouse Act. If he is financially responsible and bears a reputation for fair-dealing, he is granted a license. That means that henceforth he operates under the supervision of the Department of Agriculture, that his warehouses, records, and stocks are carefully checked at least four times a year by Government inspectors, and that he will issue warehouse receipts that are acceptable to bankers, generally, for loan purposes."

Explaining that like procedure will apply to any of the commodities already named, Mr. Yohe takes a hypothetical deal in corn to illustrate the way the warehouse receipt works.

"Here is a corn farmer, 10 miles from Davenport, Iowa," he assumes. "He has produced 10,000 bushels of corn. He needs 2000 bushels on his farm for feeding purposes. He thinks it is a good idea to sell 1000 bushels for cash. This leaves him 7000 bushels to sell, but he and his banker are both certain that in two or three months, or six months from now, corn will be much higher.

"Now at Davenport there is an elevator licensed under the Federal Warehouse Act. The farmer arranged with the elevator man to store his corn. He delivers his 7000 bushels to the elevator and gets a number of warehouse receipts.

"But this contract or warehouse receipt is different from all receipts issued by warehousemen not operating under the Federal warehouse law. The Secretary of Agriculture has prescribed the form of receipt, even to the color of the paper and the terms of the receipt. This receipt tells you, on its face, where the corn is stored, how many bushels were stored and when, what the grade of the corn was when it was put into the elevator; and finally, the elevator man agrees, when the receipt is surrendered, that he will deliver corn of the same amount and grade as went into the elevator.

"Now, what does the corn grower do with his warehouse receipts? He takes them to his banker. The banker examines them. He sees they are issued under authority of the Warehouse Act. He knows they are good collateral. He knows they will be acceptable to his rediscounting bank at Chicago. He figures up how many bushels the receipts cover. He then turns to his market report. He tells the farmer: 'Corn of the grade you have is worth \$1 today. I can loan you 75 cents a bushel.' Seventy-five cents on 7000 bushels means \$5,250."

Mr. Yohe then explained how the farmer holds until more favorable prices prevail and thereby gets for his commodity a substantially higher net return than if he had sold all of his corn for cash.

"I have referred to a corn grower for purposes of illustration," Mr. Yohe said, "but growers of other staple agricultural products can follow the same plan. I might tell you of cotton growers who were offered 10 cents a pound for their cotton in October but who, by storing in Federal licensed warehouses and bor-

rowing on their receipts in the meantime, three months later sold for 18 cents a pound; or of a canner of vegetables who, through the use of Federal warehouse receipts, was enabled a few months later to sell his product for about \$8,000 more; or of another who made \$16,000 more, another \$20,000, and still another \$30,000."

With the Federal Farm Board definitely committed to a policy of orderly marketing, involving, as it does, a vast increase in the use of storage facilities, the prudence of commercial public warehousing interests educating the public to the character of their facilities and services, of course, is quite apparent.

—Horace H. Herr.

Railroad Proposes Food Distribution Plan in Cleveland

DISTRIBUTION AND WAREHOUSING'S
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THE most comprehensive system for receiving and distributing perishable food products in recent years has been approved by the Interstate Commerce Commission. The New York, Chicago & St. Louis Railway has been authorized to acquire control by lease of the railroad yard, in Cleveland, owned by the Northern Ohio Food Terminal, Inc., and to make such additions and improvements as will insure the betterment of present-day distribution problems in that city.

Through a wholly owned subsidiary, the Nickel Plate Development Co., the railroad has constructed an auction house adjoining the yard. The auction house, 460 feet long, 110 feet wide and with floor capacity of approximately 150 cars, is directly served by three tracks having a total capacity of 30 cars, and is equipped with a heating plant. The auction house will be used for the delivery, unloading, display, and sale, by auction, of carload shipments of fruits and vegetables. Its facilities will be available without charge to such shipments handled in road-haul movement by the railroad, or upon payment of switching charges, by any other railroad having or constructing facilities for carload interchange with the New York, Chicago & St. Louis. The auction house also will be available to shipments of fruits switched from cold storage plants at Cleveland.

—Michael M. McNamee, Jr.

No. 80

Joseph W. Glenn

By LLOYD S. GRAHAM

Let's Take the Family

IN these days, modern and hurried, when young men and young women are allowed and encouraged by their elders to use their own heads, or what passes as such, family businesses are rare even unto the third generation.

To many young Americans the old man's business does not look nearly as good as that of some other man's dad, about which he knows nothing. But Joseph W. Glenn is a man who as a youth found his father's business good enough for him. And it is one of the pleasing factors of his own life that his own son shows every evidence of desiring to follow in a modern way in the footsteps of his father, grandfather and great-grandfather.

The business of O. J. Glenn & Son, Buffalo, as it is at present constituted, was organized in 1879, which incidentally was the year in which Joseph W. was born. That must have been a big year for Owen Glenn, the father of Joseph. He had married young and was full of life and ambition. He had gone into the trucking and general livery business prior to or about the time of his marriage. With extra impetus added by the arrival in due time of the first-born, and a son at that, one can imagine Owen Glenn as a hustling young business man.

But the Glenn business goes back farther than that. The father of Owen died when he was a boy of fourteen but for fully ten years before his death he was in the trucking business. In those days the trucks were of the two-wheeled variety, drawn by one horse. It is said that this man who was in a sense the beginner of the business owned one of the first four-wheeled, stake-bodied, one-horse trucks in the city of Buffalo.

As indicated, Owen Glenn was the real founder of the present business. And he is still very much on the job. He is the sort of man who does his Gilletting the night before and does not have anything to impede his progress to business in the morning. That makes it possible for him, not once in a while but every day, to land at the Glenn

garage and service building at 6:30 o'clock in the morning.

While this sketch is supposed to be primarily about Joseph W., it is nevertheless true that no article about Joseph W. would be complete without a good dash of Owen, the father, in the context. For, while he is still a hustler and very much on the job at 69, he can well remember the days when the business was carting in

everything that the word implies and when he also made a good revenue from renting horses and carriages, tally-hoes, coaches and all sorts of vehicles with the horse as the motive power, driver attached, or drive-it-yourself.

Considering the sort of man he is, it must have been a great satisfaction and pleasure to Owen to see Joseph even in his early teens begin to take an interest in the firm. Before he was thirty there was no part of the business in which Joseph had not taken an exceedingly active part. These activities ranged all the way from packing goods and looking after horses to collecting and bookkeeping.

Within the days of Joseph he has seen it develop so that there were at least eighty horses in the business. And then, with the advent of the automobile, he saw the number begin to dwindle until three years ago the Glenn copartnership sold the last six horses.

Joseph remembers well the coming of the four-wheeled, two-horse truck. Then they put three horses on it and when they were going into long distance

hauling, such as from Buffalo to Niagara Falls, the vast distance of eighteen miles, they would put four horses on the truck and make more fuss about the trip than is now made in putting a Glenn truck over the road to Boston, New York, Philadelphia or Detroit.

One may jump to the conclusion that Joseph W. was born into a good business and that the rest was as easy as easy could be for him. But he has had his problems. It early developed that he had a knack for administration;

(Concluded on page 52)



Joseph W. Glenn, partner in O. J. Glenn & Son,
Buffalo, N. Y.

No. 81

Carl F. Wittichen

By ELIZABETH FORMAN

Album Out of Storage!

ALTHOUGH he was born one of the F. F. V.'s (which to a society editor means First Families of Virginia), Carl Ferdinand Wittichen, president of the Wittichen Transfer & Warehouse Co., Birmingham, knows what it is to stand at the foot of the ladder and look up.

His mother, before her marriage, was Kate Ramsay Forbes of Warrenton, Va. The subject of this sketch was born at Catonsville, Md., a suburb of Baltimore, his first memories of his early home being an old estate where his family enjoyed every luxury attendant upon such a background.

When young Carl was about eleven his father lost his health. Then the family fortune began to dwindle. The father's death occurred in August of 1898, leaving the mother to care for six children—three boys younger than Carl, and two older sisters. The eldest son left school at an early age and never went back.

The picturesque estate which had been a hobby, proved an inadequate means of support for so large a family, but they stayed there for a year. The place was heavily mortgaged but before it was sold they managed to accumulate enough money to move to Birmingham, because the widow had a brother there and because it was "an excellent place to bring up the boys."

The Wittichens landed in Birmingham with sufficient capital to pay a month's rent on a twelve-room house in which they sub-let as many of the rooms as possible.

In January of 1900 Carl, realizing that he had a family to support and his own education to finish, got himself a job as office boy with the Kirkpatrick Sand & Cement Co. He worked twelve hours a day, and studied three, for the next few years. On his twenty-first birthday, April 7, 1904, he was made general manager of the firm, and there he continued until 1912.

By the time the company had grown to a \$100,000 corporation changes in the holdings of the capital stock forced young Wittichen to withdraw, and at the same time

he signed an agreement to stay out of the building materials business for a period of five years.

In January of 1913 he went into the retail coal business but after a year's experience with that he found that something had to be added to it to make it financially successful. Accordingly he took up the draying business as well as street paving and sewer building. Contracts

for the latter proved lucrative but hazardous and after two years he gave it up to try something which did not require such an enormous amount of money and did not include such risks.

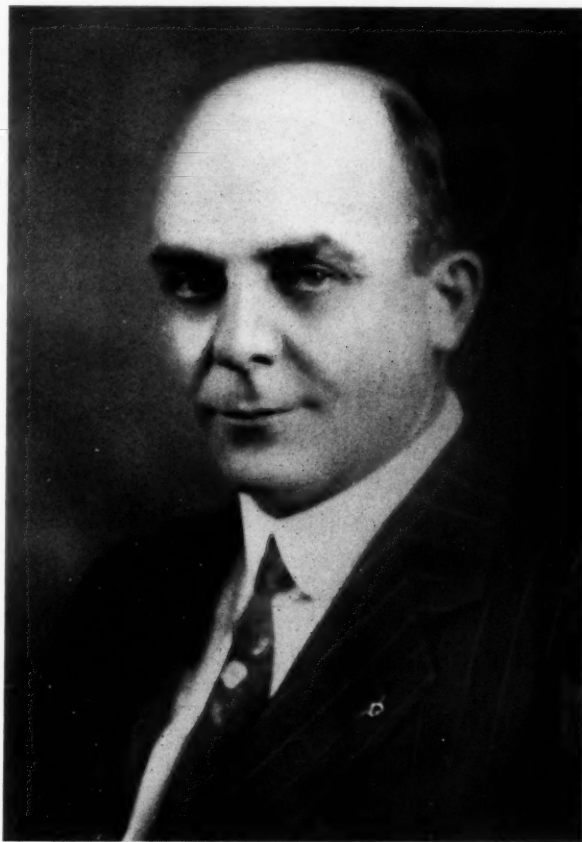
This "something" was the warehouse business, of which he had no knowledge excepting as he had come in contact with it through his draying and coal-handling.

In the years which have elapsed the warehouse department has come to overshadow the other interests; though there still is a large volume of trucking, the coal enterprise now is a side line.

In 1922 Mr. Wittichen went back into the building materials business, organizing the Birmingham Builders' Supply Co., of which he is the vice-president. This is a corporation separate from the warehouse enterprise. The latter now has a main fire-proof building with 32,000 square feet of floor space about equally divided for household goods and merchandise storage, while an additional structure with 5000 square feet is used for the housing purposes of one special account.

Mr. Wittichen is exceedingly fond of fishing and hunting. His greatest hobby, however, is the Birmingham Boys' Club, of which he was recently elected president. This organization, founded by the city's business men, has a membership of 1500 white boys of all nationalities and religious denominations. The founders hold the theory that to give a boy a chance is to develop a good future citizen, and already the results have been so satisfactory that in return for the original investment of \$100,000 in

(Concluded on page 52)



Carl F. Wittichen, president of the Wittichen Transfer & Warehouse Co., Birmingham, Ala.

H. A. Haring's

New Business for Warehouses

No. 48

Making Automobile Storage Pay Revenue

IN the early winter months the sale of new automobiles begins to lag. The factories, however, try to operate at capacity for those manufacturers which do not bring out new models for the January shows; while, for those which do, output begins in January and runs high for four months until spring demand takes cars out of storing into consumers' hands. The winter months are, therefore, months of heavy storage for new automobiles—trucks as well as passenger cars.

The date varies, of course, for the high tide of cars in store. In Florida and other winter resort sections storage begins in September and October, when first the factories feel the slow-down of summer buying. At once they ship to these winter resorts their surplus output,

to be in readiness for the winter's sales, but, quite as much, in order to get rid of cars from the factories. For, with all the makers, the time has long gone by when they can store at the factory any considerable output. Few of them—if, indeed, any important maker—attempt to provide storage space either at the factory or at branch assembly plants. As fast as cars are turned out, they must be shipped somewhere.

So far as possible, these new cars are consigned to branches, or distributors, against whom invoices can be prepared so as to move the financing into other hands than the factory's, although every winter the manufacturers are themselves compelled to store cars in public warehouses.

Not a Profitable Business?

NEW automobiles in a warehouse make a fine showing. They fill up large quantities of floor space. Nearly every warehouseman has sought this business.

But, among those who have the business, no remark is more common than this:

"There's nothing in it. The rate's so low and the handling runs so high that we make nothing, and every time we dent a fender all the revenue of a dozen cars goes up in smoke."

Many warehousemen, as a result, have quit the storing of new automobiles, either for manufacturer or for the jobber. They have not been able to do it at a profit, and yet, all the time, they have a feeling that business of this character ought to yield a profit.

Once in a while, furthermore, one meets a warehouseman who claims to make a profit from automobiles and the query naturally arises: "Is he telling the truth, or doesn't he know how to keep his costs?"

Some of them are telling the truth and the same men are, at the same time, fully cognizant of all their costs.

It may be worth while to examine how they do this, because automobile storing is available in nearly every town as well as city.

The new business is desirable only if it gives a profit.

Savings in the Insurance

ONE warehouseman tells me that the distributor of Studebakers in his city rebuffed him year after year when he solicited the business. The distributor stated that his storage was costing well under \$2 per car per month—a price which the warehousemen could not meet.

The Studebakers were being stored in five places, all under lease to the distributor. One of these was a brick building, two stories, formerly a machine shop; one was a former livery stable; one was a former garage and service station; two were outbuildings of the barn type. The distributor has double padlocks on every door. Whenever he wished to move a car or take one out of store, he sent a crew of men to shove cars about in order to locate and get out the one wanted. The cost of thus sending men from his repair shop or sales room became a burden, and, in order to escape it, the distributor for the winter of 1926-7 quietly slipped one gallon of gas into each car as it was put into store. He knew this was forbidden by his insurance policies but he felt safe in taking the risk just because the cost of handling the cars was getting to be too burdensome.

In some manner an inspector for the insurance companies detected the practice and, with only a day or two of notice, demanded either an additional premium for the two preceding years or a cancellation of all coverage. Inasmuch as the cars were up with the bank for loans, the jobber had no option other than to pay the premium and to remove all gas from cars in storage. Even at that, two insurance companies cancelled their policies, when the report reached their home offices, on the ground, undoubtedly, of "hazardous moral risk."

This gave the warehouseman his opportunity. No very sharp pencil was required to prove that storage and insurance was costing from \$3.50 to \$4 per car per month, rather than the \$2 of which the distributor was boasting. The cars have now for two seasons been in the warehouse. The warehouseman further tells me that his charge for

handling in and out "is less than it was costing the Studebaker distributor, even if he did yell to high heaven over our rates."

Storing Without Aisles

WAREHOUSEMEN have learned, too, that careful planning will cut the cost of handling automobiles. One of the most simple devices is that of storing new cars by models. All cars of one model are placed together on the floor—sedans by themselves, coupes in another bay, and so on. The automobiles are sorted as they come from the railroad car or local assembly plant.

They are then stored without aisle spaces and without any provision for getting at a car except the "last one in," which is, of course, the one closest to the elevator or door of the warehouse.

At first blush this plan would look like a hopeless task in making delivery. But, instead of endless shifting of cars, a very simple arrangement saves all such bother. It is a part of the careful planning to make an agreement in advance with the owner that he shall order automobiles out of store only in rotation as they stand on the floor. The owner is furnished a floor list, for each model, and before the storage contract is consummated he is persuaded to order out only in rotation. This agreement is thoroughly explained to him, when making the contract, so that he understands that the rate for storing and handling is based on cooperation to this extent.

Instead, then, of ordering out two or three cars a day with numbers chosen at random from the owner's records, the ordering is done methodically. No one suffers. Everyone, in fact, gains; and, for warehouses where such careful planning is done, automobile storage becomes profitable. The aisle losses are eliminated, the handling out of store

yields a profit, and the only cost is a bit of cooperation.

A slight variation is found where the owner of the cars makes no attempt to keep a record of the floor placement of the automobiles but each time before ordering out of store he telephones the warehouse to ascertain which cars are most convenient to deliver.

Double Decking

A FEW warehouses have experimented with double decking. I have seen several cases where automobiles are stored on skids at an incline of 45°, using for this purpose the racks and blocking which come in the railroad cars as the automobiles are loaded at the factories.

By utilizing this ready-made material, which is either spiked or lag-screwed to the warehouse floor, a great economy is achieved in warehouse space. Maximum piling follows, because the "goods" reach the ceiling.

In order to store by this method it is necessary, of course, to effect an agreement of cooperation such as already described, because it is apparent that cars must be withdrawn in rotation as they stand in storage.

Others have described schemes of double decking the warehouse, with some form of rack or continuous track upon which the upper lot of automobiles is stored.

One warehouseman reports that he does with automobiles just what furniture warehouses have learned to do with pianos—build a suspended ceiling over the room and fill it—with the exception that, for automobiles, the suspended part is a series of "flanged runways."

There is no reason why double decking should not work, for a limited portion of the floor. Certainly the automobile makers have paved the way by their double-decking in railroad cars, wherein they have demonstrated that one may

CORRECTION

IN the list of trade directories published as part of Mr. Haring's "New Business" article in September, it was stated that the Blue Book Publishing Co., Grand Rapids, Mich., issues a furniture directory. Information comes from that company that the directory in question is issued by an associated organization. The listing accordingly should have been:

The Buyers' Guide of Furniture Manufacturers, National Retail Furniture Agency, 516 Murray Building, Grand Rapids, Mich.

do almost anything with an automobile provided only that it is securely fastened against shifting or slipping.

Warehouse Receipts for Single Cars

IN the handling of automobiles, warehousemen might well pattern from the experience of cotton warehouses. For, with cotton, the best practice is to issue a separate receipt for each bale.

Cotton, from the moment of being baled until consumed at the mill, is handled in bales, each of which has its serial number, its own weight, its own authenticated grade, etc. Bales of cotton, in a warehouse, are much like trunks in a baggage room—each has its own ticket.

In this respect automobiles in storage present the same problem. Each car, in addition to model number and color, carries its own number for motor and body. That number identifies it for insurance, as well as for the invoice when sold. The numbers, therefore, become essential in making delivery from warehouse.

It has been the custom to issue warehouse receipts for all the automobiles received *ex* one railroad car, each receipt thus covering anywhere from three to

six cars, according to make. As each automobile is withdrawn from storage, the receipt is presented for record of the withdrawal; or, if non-negotiable form is used, the bank is required to attach the notice of withdrawal to the original receipt in order to keep its record clear. The warehouse receipt, as a result, becomes a blotch of emendations and blue pencillings. Mistakes, too, sometimes occur so that the receipt may show a car of a certain number as being in stock whereas in fact it has been withdrawn.

All troubles of this sort are obviated if the warehouse refuses to issue one receipt for more than a single automobile. Then, for withdrawal, the entire receipt is retired.

It has been told me that in Los Angeles, some years ago, one of the warehouses developed a plan which is now used at many places—namely, that of preparing automobile receipts so that they look like stock certificates. One gentleman has related:

"We made them as glittering as mining stock. When the banker got one of our receipts for an automobile, he knew he had something. The bright color hit his eye!"

Warehouses usually charge 25 cents per receipt (50 cents, if negotiable in form) for receipts of this sort, and, at that rate, can well afford to make the investment in good engraving. Such a warehouse receipt makes a favorable impression on the banker who loans. It goes a long way to remove the current belief that all warehouse receipts are of "the cheap paper" sort, much smeared from handling and checking.

The single-car receipt is a "blunder stopper" in the handling of automobiles through the warehouse, and, with a small fee for issuance, yields its own revenue which, though small, contributes to making automobile storing a paying, not a losing, venture for the warehouseman.

New York Warehousemen Protest to Trunk Line Railroads Against In-Transit Storage and Handling Rates

AT a recent meeting of the Warehousemen's Association of the Port of New York, it was voted to have the manager, H. I. Jacobson, send the following letter to R. M. Collyer, chairman of the trunk Line Association, New York:

"The in-transit storage and handling rates charged by the railroads at this port, which we understand are: 1½c. per 100 lb. for 30 days; ½c. per 100 lb. for each additional 15 days; ¼c. per 100 lb. for handling into storage; ¼c. per 100 lb. for handling from storage, have long been a cause for complaint by the members of this association and they have also been unfavorably commented upon by the members of the American Warehousemen's Association, which is a national organization.

"The reasons for this are that the rates referred to are so much below a reasonable charge for these services,

when the costs of furnishing them are considered, that they create a wrong impression in the minds of merchants, and as a result they injure the public warehousemen's business generally; and they work a hardship on shippers and consignees throughout the country also, in that the failure to make a reasonable charge for a service which is given as an inducement to secure freight, causes a reduction in the line haul freight revenue.

Hitch Your Warehouse to a Star

THE national distributor will look for the Star when consulting the 1930 Warehouse Directory in selecting points for storage. Will your listing be Starred next year? It will be if you notarized the information you returned.

"There is much more that might be said in this connection. We respectfully request you refer the matter to the proper committee of your association. We trust the committee will take action by applying rates which reimburse the railroads for their costs.

"This association makes no complaint of the so-called penalty storage rates assessed by the railroads of this port. It has no thought of trying to take the storage business away from the railroads.

"The warehousemen of this port, and of the country, generally feel that their business is an adjunct of transportation, and as such they desire to assist the railroads in every way they consistently can. This association has confidence that proper consideration will be given this request."

Suggestions for Christmas

TRUCK LOADS OF CHRISTMAS GREETINGS FROM

BAKER TRANSFER & STORAGE CO.
BILLINGS MONT.
SEE ME

MERRY XMAS

Christmas 1928

*Peace on Earth and Good Will
is the Spirit of Christmas
kept alive through the
by a custom most univer.*

*Good Will is our most che
because it increases in value a
we share it with others-*

*In keeping with the
season we are ear
you just a good
Merry Ch
A Happy
Cass, D*

Season's Greetings

*May all of the stars
The stars of each sign
Bring smiles of Good Fortune
And make your days bright.*

Frank H. Myers, President
The Terminal Warehouse Co.
CHICAGO, U.S.A.

Merry Christmas

*Wishing you a Merry Christmas
and a Happy New Year*

Kanons Warehouse and Transfemen
Christmas 1928

THE SEASONS GREETINGS
CANADIAN CARTAGE & STORAGE CO. LIMITED
MONTREAL, CANADA

MOORE'S
STORAGE WAREHOUSE
BIDGEPORT, CONN.

*Just in passing
it affords us a great deal of pleasure
to wish you a Merry Christmas and a Happy New Year*

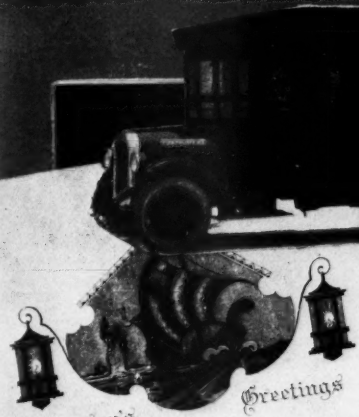
Moore's Storage Warehouse, Inc.
Bridgeport, Conn.

Thank You

SOUTHERN TRANSFER CO.
FURNISHED STORAGE
SAN ANTONIO, TEXAS

*We have gathered together our kindest regards,
And all our good wishes, too,
And we've loaded them all on our heaviest truck,
And we're sending them now to you,
And we're sending them now to you,
We said to our driver, "Be on your way,
And take the shortest road,
And when you reach the address,
Dump the whole darned load."
It's just a shipment of Sincere Thanks and Regards
and Kind Wishes, too,
That Christmas and the New Year bring
The Best of the Best to you.*

and New Years Greetings



Season's Greetings

At this Holiday Season we like to think of our customers as our friends and that our success is but the reflection of theirs. So on the eve of a New Year we extend to you our hearty good wishes with the sincere hope that the coming year will bring you greater prosperity and happiness than ever before.

Carrier Lee Warehouse Co.

WE SUBMIT WITH PLEASURE, THIS NEW BALANCE SHEET WE HAVE DRAWN UP FOR YOU

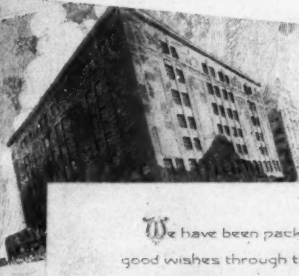
CREDITING YOU: Pleasant Relationships, Franchises and Guarantees, Confidence and Loyalty.

DEBITING YOU: 365 Days in which to be Happy and Prosperous.

LEAVING A SURPLUS: Our appreciation and Best wishes for

A MERRY CHRISTMAS AND A HAPPY NEW YEAR

ATLAS
FIREPROOF STORAGE WAREHOUSE CO., INC.
187-189 WEST 124TH ST. NEW YORK, N. Y.



We have been packing up and storing our good wishes through the year, in order that at Christmas we may transfer them to their rightful owners - our good friends.

May your Christmas be Merry and the New Year one of Happiness and Prosperity.

Kedney Warehouse Co.
St Paul - Minneapolis - Grand Forks

...ling adopted by
Carriers in territories Covered by Holiday Spirit

THIS MEMORANDUM from
Frank Wolfe's Bonded Warehouse
GREENVILLE, TEXAS

Property herein described is securely packed with Good Wishes. Every Wish fresh and of the finest quality, promoting Holiday Cheer and New Year Happiness. Not offered but once a year, but extended to you the year around.

Shippers No. 1928

SHIPPED by *Yuletide Ry. Co.*

CONSIGNED to
DESTINATION

of Article	
! Wishes	
ated Xmas Cheer	
ew Year Joy	
Luck & Happiness	
nine Good Will	
Old Success	



Shinawasa Warehouse Co.,
Shimbashi-Ku, Tokyo, Japan.

WHEN DAD WAS A BOY

IT took five years to learn a trade; A pair of hide boots would offend.

TODAY~

IT is "Hip-Hip-whatcha got on it?" Hoosh makes men see double and girls stay single, preferring to be old maids rather than young widows; Dad buys a necktie and daughter swipes it to make a party dress; Face lifting has supplanted mortgage lifting; Sex appeal and birth control are being cussed and discussed, pro and con; Politics and bridge are the popular games, both depend upon good HANDS to win; Those who vote "DRY" are "ALL WET" and vice-versa; Twist lipstick, rouge and cigarettes, Man takes a chance on what he gets; Planes are "Going Up" and autos are "Coming Down," so take your choice. If you can get a kick out of this line-up you're in luck, and we wish you~

A Happy New Year

William J. Halleran, Pres.
Blackham Storage & Trucking Co., Inc.
Phone Flushing 1815
63-45 BROADWAY, FLUSHING, N. Y.



THE BUSINESS MAN'S BOOK SHELF

Sales Management

"Intensive Sales Management," by J. C. Aspley. 273 pp. \$3.50. The Dartnell Corporation, Chicago and New York.

MR. ASPLEY, the author, is well known to all sales managers as editor of the Dartnell sales service bulletins and the magazines of that corporation in sales and advertising. Into this volume he has compressed the material of two loose-leaf studies into sales management, known as "Sales Management Practices" and "Modern Sales Organization." These loose-leaf surveys were sold to sales managers on a subscription basis, as part of the Dartnell service, for a price of \$12 apiece, the information going to them from time to time as compiled over a period of three or four years.

The volume is a most interesting treatment of sales management. It is concrete to the extent that the discussions are examples taken from successful sales managers' experience. The material is also fresh. The reader finds it difficult, if not impossible, to lay down the volume after opening it, for the reason that every page seems fairly alive with suggestions that he can use in his own business.

To one who is not a subscriber to some form of the Dartnell Service this book will give a good idea of what that service comprises. Many of the chapters are, in effect, outlines of helps offered by Dartnell to their subscribers. In fact, to the Dartnell subscriber the book offers nothing new, but, to the non-subscriber, it may offer hints that will be immediately worth the price of the book a hundred times. The book is recommended to any one who has responsibility for his company's selling task and who is not already a subscriber to the Dartnell services. The chapter headings indicate the scope of the volume:

1. Tendencies in Sales Practices.
2. Executive Control of the Sales Organization.
3. Organization of the Headquarters Staff.
4. The Systematic Selection of Salesmen.
5. Better Methods of Compensating Salesmen.
6. The Salesman's Training and Development.
7. Sales Manuals and the Standardized Canvass.
8. Divisional and Field Supervision.
9. Arranging Territories and Setting Sales Tasks.
10. Stimulating Salesmen to Greater Effort.
11. Branch Office Organization and Control.
12. New Business and Sales Promotion.
13. Statistical and Research Opportunities.
14. Work Organization in the Sales Department.

Unfortunately, the book lacks an index.

Marketing Investigations

"Marketing Investigations," by William J. Reilly. 245 pp. \$5. The Ronald Press Co., New York.

THE author of this book is at once commended to warehousemen because he was, for some time, connected with market research for a famous warehouse patron, Procter & Gamble. Since leaving that employment he has been teaching marketing at the University of Texas, where he ranks as an associate professor.

Mr. Reilly's volume treats of systematic market investigation. He seeks to make the treatment practical throughout, having arranged his volume to conform to the four main steps which one would follow in making a study of a marketing problem:

1. Preparing for the study of the problem in hand—including a clear statement of what is to be studied, the selection of locations for the investigations, the sources of required information and the means of getting that information.
2. Gathering the information in the field—from retailers, jobbers, consumers and other sources, whether done through the mails or by personal interviews.
3. Interpreting the information thus obtained—including the determination of accuracy and value of what has been collected.

4. Presenting the data—including the preparation of adequate reports.

The author has brought together in this small volume the gist of what has been written on this subject. In fact his book is a concise statement of present information, far more readable than some other books merely because it is stated briefly and in the teacher's manner of thoroughness. For this reason, possibly, the pages offer nothing new to market studies, as specialists know the field. The book projects no new theories, no new working methods; neither does it dwell on fads of the author nor tell of his own hobbies and preferences. It gives, on the contrary, a good general presentation of this little-known subject, so lately not known at all with our business but so popular since 1921 when many concerns were driven to market investigations in order to save themselves from extinction.

Any executive who contemplates the organization of a market analysis department, or employing some outside agency to make a study, would profit by perusing this volume. He will get, in an evening's reading, suggestions of the weakness and advantage of each method. He will have his eyes opened as to the inaccuracies which creep into professional market investigations and he will be better able to get his money's worth when he buys market investigation.

The book is to be commended not because it is revolutionary, or particularly new in concept, but because it covers the available information and the guiding principles concisely and thoroughly.

Flour Milling

"The Development of the Flour Milling Industry," by B. C. Kuhlman. 349 pp. \$3.50. Houghton, Mifflin & Co., New York.

THIS book serves a two-fold purpose. It is a history of flour milling in

this country, and it is a study into the present economic situation of that industry. Any warehouseman who handles much flour would be repaid for reading the book; and, for warehousemen east of Chicago, much understanding will follow of the words so common in flour milling—such as "durum," "spring," "hard winter," "patent flour," etc., because on these pages the author makes clear the influence each of these qualities of wheat has had on flour making.

Freight rates have been a factor in flour milling. The author has been able to explain their bearing. He makes plain why the Minneapolis mills are expanding by erecting plants in Chicago and Buffalo; why Kansas City is growing as a milling center; why Buffalo has a rosy future in the industry; and he writes interestingly of the rivalry of the flour millers and the manufacturers of breakfast cereals.

The romance of flour kings is developed on the historical pages, as well as the strides of invention in milling machinery. Bleaching, too, comes in for its share of the improvements. The author has not, however, adequately treated the silent revolution which has taken bread and cake making from the household into the commercial bakery. He has overlooked the changes in flour manufacturing that have come from the dominance of bakeries, which now prescribe the formula for their flour grinding much as the railroads in ordering their rails lay down the specifications of steel to the steel mills.

Changes in the industry are indicated as lying ahead—such as the inevitable decline of Minneapolis and the increase of Kansas City and Buffalo; the deep-seated effects of higher freights and the competition of wheat carried by the Canadian railways into United States markets; the effect of rates which favor wheat and hurt flour; the selling of flour through salesmen of the mills rather than through jobbers; and, of great interest, the survival of the small mill is prophesied.

Although giant combinations manufacture the bulk of our flour, the author believes that the small mill, making flour for a restricted trading zone, has a distinct chance to live and earn profits. For one thing, he is of the opinion that the small mill can manufacture quite as cheaply as the large, under the milling-in-transit rates which place all mills on an equality for shipment to the primary markets which control prices.

The volume is a good survey of the flour milling industry, not over-burdened with history but stimulating and suggestive with its discussions of present-day problems.

Planned Marketing

"Planned Marketing," by Vergil D. Reed. 344 pp. \$5. The Ronald Press, New York.

FOR any person who is assigned the task of

planned marketing and who is without special experience this volume offers a helping hand. If the same task comes to one with experience it is well worth the price as a guide, or outline, of what to do and what not to do.

Although many books are available which treat of different elements of the marketing plan, this book is the first that has come to our attention which follows definitely the process of building the plan as a whole, taking it step by step from nothing to complete control of marketing operations. The work shows that the author is a teacher in that it gives a careful balancing of advantages and disadvantages of each plan, without attempt to evaluate or recommend any plan as desirable or to caution against any as unsatisfactory.

Therein, in fact, lies the value of the book. A business man may take it as a sort of guide, or handbook, which has collected and digested the vast amount of material in print. All is succinctly arranged so that a business man is given a quick survey of the things he must do to build a marketing plan, with suggestions of tests to show when he has covered the entire field. The volume does not pretend to present any new theory or advance any pet plan of the author. It is such material as students, in universities and schools of commerce, require in order to grasp the problem and the method of selling manufactured goods in this country. The chapters on "Policy Building" and "Budgets and Quotas" are especially well done, while the one on "Effective Use of Advertising" handles this difficult topic in a satisfactory manner.

Throughout the book is in a readable style. It gives many detailed outlines of procedure in planning. Its suggestions, usually in listed arrangement, ought to be useful as reminders of things to be done in order to make the marketing complete, thus preventing omission of important elements in the plan.

Financing Business

"The Financing of Business Enterprises," by Alvard L. Bishop. 616 pp. \$5. Harper & Brothers, New York.

THE title of this volume may be somewhat misleading,

because the most valuable part of the text relates to internal financial organization of a business—such steps as borrowing money for operation, organizing to fit the financial needs of a partnership or an individual in business under his own name. It deals much with internal financing and less than the title would suggest with promoting and flotations.

The author gives us the ripened results of fifteen years of work as professor in Yale teaching this subject, plus innumerable contacts as consultant and expert. Every page shows, unmistakably, the thoroughness of his knowledge. Few business books, moreover, make more entertaining reading than this volume, because its information is told in a running style that carries a man to the end much as a youngster clings to an exciting story of love or adventure.

Any man in business, either for himself or as officer for another, can readily profit his business many times the cost of the book by buying it and reading it. He will not stop with a single perusal of the pages. He will return to such chapters as those entitled: "The Proprietorship," "The Internal Management of Business Corporations," "Corporate Borrowing," "Financing Corporations in Part Through Cus-

tomers and Employees," "Protecting the Public from Highly Speculative and Fraudulent Securities," and "The Marketing of Securities."

Four or five pages which deal with low-grade securities, as an example, make most helpful reading. We are told why there are such large quantities of low-grade securities on the market; that they are usually stocks and not bonds; the motives why people buy such securities, the methods of promoting the sale of such paper; the existence of permanent selling organizations for this sort of security; the methods of building up a market through newspaper space and advertising of various forms, and the inevitable loss to the purchaser—all are recounted in a manner to keep the reader from "trying to beat the game of getting rich without use of ordinary horse sense."

The volume, as already suggested, is meaty with material which a business man may convert into profit. It should be helpful in launching a business, expanding an old one. It surely is a guide in the borrowing of money and payment of dividends. Especially valuable are the illustrations, covering ten or fifteen pages, which show how a concern should borrow money when business is prospering and how to borrow profitably; then how to do the same, or refrain from so doing, when business volume is declining or profits are slipping.

An Outline of Philately

"Stamps—An Outline of Philately," by Kent B. Stiles. 374 pp. \$3. Harper & Brothers, New York.

THIS volume is here briefly reviewed not because

it is particularly of interest to the average business executive but solely because it is the product of *Distribution and Warehousing's* editor. For fifteen years Mr. Stiles has been conducting the stamp-collecting department in various magazines, including *The American Boy* and *The Youth's Companion* and in the course of that work has answered literally thousands of questions from boys and girls and their parents. It is these answers which the author has incorporated in "Stamps" in such a way as to present the hobby's story both technically and topically.

The book is not for children alone, but for adults as well who are interested in stamp-collecting. As the author points out in the foreword, it has been estimated on the floor of Congress that there are upwards of a million philatelists in the United States and these include United States Senators and Representatives, Army and Navy officers, State legislators, capitalists, physicians, scientists, manufacturers, clergymen, authors—men and women in all walks of life. The hobby has its own national societies, its trade magazines in many languages, and its own international "Who's Who"—facts not generally publicly known.

Various chapters deal with grills, watermarks, perforations, minor varieties, etc., all these being explained for the beginning-collector. For the older enthusiasts is information relating to the use of stamps as codes by spies during the World War; transport of mail by airplane; commemorative postal paper; designs with relation of religion, literature, etc.; the manufacture of stamps; the Universal Postal Union; the Government's Philatelic Agency; and the United States postal service from the days of the Thirteen Original Colonies. The concluding pages contain a glossary of 2,500 terms—identification of persons portrayed on stamps, and translations of foreign words on stamps.

"Stamps" is perhaps the most comprehensive book ever written about philately and is recommended as an ideal Christmas gift to adult or child interested in the hobby.

"Who Gets the Business?"

ANSWER: "It's the Starred Listing that Gets the Business." Therefore it pays to have a Starred listing. You can get that only by having your returned Information Sheet notarized. Was yours notarized? If not, ask us to send it back to you.



FROM THE LEGAL VIEWPOINT

By Leo T. Parker

Actual Possession of Attached Goods by Sheriff Held Not Necessary

THE United States Court in the case of *Standard Bonded Warehouse Co. v. Cooper & Griffin*, 30 F. (2d) 842, has rendered an important decision on the legality of attachment proceedings.

The facts are that the warehouse company issued warehouse receipts to the owner of 97 bales of cotton. The owner of the receipts transferred them to the American Trust Co. as collateral security for the payment of a note.

Later, to collect the charges due, the warehouse company had a sheriff levy on the cotton. The sheriff did not actually take the cotton into his physical possession, but the manager in charge of the warehouse told him that he had the 97 bales of cotton there in the warehouse, and agreed to hold it there subject to the order of the sheriff and the Court. The sheriff did not see the cotton, or do anything with respect to identifying it or taking it into his actual custody.

Also it was known to the warehouse company, to the American Trust Co., to the owner of the cotton, and to the sheriff, that he was levying on these 97 bales.

The owner of the cotton contended that the attachment proceedings were void because the sheriff did not take actual possession of the cotton. However, it is interesting to observe that the Court held the warehouse company's lien valid, saying:

"In this case the receipts were in the possession of the American Trust Co. as collateral security for a debt of the defendant, and the rights of an innocent third party have not arisen. The receipts were not negotiated. . . . It is urged that the attachment proceeding is not valid because the sheriff did not actually see the cotton at the time he attempted to levy on it, and did not take it into his custody, or do anything to identify it, so as to place him in the constructive possession of it. . . . The [warehouse] secretary and treasurer told the sheriff that he had this cotton in his warehouse, and agreed to hold it there for the sheriff to abide the orders of the Court. The Court is of the opinion that this is sufficient control or custody to meet the requirements of a levy and attachment proceedings."

When Carrier May Limit Liability for Lost Shipment

GENERALLY speaking, a common carrier is liable for full value of merchandise lost or destroyed in transportation, although the shipper signs a

contract relieving the carrier from liability for its negligence.

However, the recent case of *Coos Bay Co. v. American Ry. Express Co.*, 277 Pac. 107, is unusually important because the Court clearly explained the circumstances under which a shipper is not entitled to full value of shipped goods lost by the carrier as a result of its negligence.

In this case it was disclosed that a consignor shipped merchandise by express and signed a "uniform express receipt" in which he declared the valuation of the goods at \$50, and which contained the following clause:

"In consideration of the rate charged for carrying said property, which is dependent upon the value thereof and is based upon an agreed valuation of not exceeding fifty dollars . . . unless a greater value is declared at the time of shipment, the shipper agrees that the

However, the Court held the consignee bound by the reduced valuation agreement signed by the consignor; and, in holding the carrier liable for only \$50 damages, said:

"The sole question for consideration is whether the receipt or bill of lading issued by the express company and signed by the shipper determines the extent of liability for failure to deliver. . . . When a shipper delivers a package for shipment and declares a value, either upon request or voluntarily, and the carrier makes a rate accordingly, the shipper is estopped upon plain principles of justice from recovering, in case of loss or damage, any greater amount."

When Truck Owner Is Subject to Commission Control

INASMUCH as many motor truck owners are vitally interested in knowing the circumstances under which the State public service commission may control the operation of motor vehicles, the recent case of *Weaver v. Public Service Commission*, 278 Pac. 542, is important.

In this case the Commission sought to compel a motor truck owner named Weaver to obtain a permit to operate his trucks in the State. Weaver is engaged in the business of transporting by motor vehicles various kinds of merchandise for different persons, firms, and corporations, for compensation, over the public highways to various points in the State. The nature of the hauling necessitates his using practically every highway in the State some time during the year. He does not and cannot operate according to any fixed schedule of time. The payment for hauling is determined by agreement between the parties prior to the commencement of the work. He transports goods for whomsoever agrees with him for the transportation of them, *he reserving the right to refuse to enter into contracts for transportation of such property.*

He, always, made contracts and special agreements with the owner of the goods to be transported regarding the cost of hauling.

In view of these facts the higher Court held Weaver *not* controllable by the Public Service Commission, stating important law as follows:

"The legislative Act in question is constitutional in so far as it affects common carriers, and the first question to be determined herein is as to whether or not Weaver comes within the definition of that term. The fact that he makes a contract in every case in which he transports property over the highways in the State is, of course, not

What Don't You Know?

MR. PARKER answers legal questions on warehousing, transfer and automotive affairs. There is no charge for this service.

Write us your problems. Publication of inquiries and replies gives worth-while information to you and to your fellows in business!

company shall not be liable in any event for more than fifty dollars for any shipment. . . . Unless a greater value is declared and stated herein the shipper agrees that the value of the shipment is as last above set out and that the liability of the company shall in no event exceed such value."

The carrier failed to make delivery of the goods and the consignee sued the carrier for \$237 damages which he sustained as a result of not receiving the shipment.

It is important to know that the instant a shipment consigned *without restrictions* to a consignor is accepted for transportation the consignor has legal title to the goods and, therefore, he is the proper party to sue to recover for loss or damage to the shipment.

The carrier contended that its liability should not exceed \$50, because it had based its rates for transportation on the reduced valuation. The consignee argued that as he had not signed the receipt he was not bound by its terms and therefore was entitled to collect full damages.

necessarily determinative of the point as to whether or not he is a common carrier, for he might make such contracts simply to escape the duties of a common carrier by subterfuge and evasion. . . . The making of such contracts is only one of the facts to be considered in determining as to whether or not a person is a private or a public carrier. . . . We are wholly unable to see how it can be of public benefit or for the general welfare to totally suppress private carriers on all the highways, to fix the rates of every private carrier, or to compel him to render annual accounts and submit to other requirements suitable only in the case of public carriers. . . . That a private carrier may not, in view of the Fourteenth Amendment of the United States Constitution, be converted into a common carrier against his will, and that a condition to become a common carrier, attached to the right of a private carrier to the use of the public highways, is void."

License Tax Payable at Every Distribution Point

IN *Mavis Co. v. Doughton*, 147 S. E. 289, it was disclosed that the North Carolina State authorities sought to collect separate license taxes from a manufacturer who stored his products in warehouses in different cities in the State.

The testimony proved that the manufacturer, at his own expense and upon his own trucks, transported quantities of the product from his plant to various warehouses in other cities, and there stored it until it was distributed by its employees to the retail trade.

The manufacturer contended that, inasmuch as he paid a license tax at the headquarters of his business, he should not be liable for payment of licenses in the different cities in which his product was stored in public warehouses. However, the Court held the manufacturer liable for payment of licenses at each location.

Crude Book Account Held Legal

IT is well established that a warehouseman cannot expect to win a suit for payment for services, materials and labor unless he proves that the customer contracted for the work. Also, evidence of the account must be supplied.

However, it is important to know that any proof sufficient to convince the Court that the amount sued for is due the warehouseman usually results in a favorable verdict. In other words, warehousemen are not compelled, unless by special statute, to maintain an elaborate and complete set of books showing in detail the materials, supplies, work performed, etc., providing such details can be proven by verbal testimony.

For instance, in *Bailey v. Hoffman*, 278 Pac. 498, it was disclosed that Dr. E. B. Hoffman ordered certain work. The Creditor kept account, of the materials and labor which he supplied, in a small paper-back book headed "Dr. Hoffman Job at Emerald Lake." In

chronological order were entered charges for labor and materials with the dates included. No entries were made on the credit side. At the end, the materials were summarized at \$161.35, labor at \$478.75, and freight at \$4.75.

Dr. Hoffman refused to pay the account, and the creditor filed suit. Counsel for Hoffman attempted to avoid liability on the ground that the book account did not show against whom the charges were made; it did not show in whose favor the charges were made; and that it was not a detailed statement in the nature of debit and credit arising out of contract.

However, the Court held the account in the book sufficient evidence of the debt and held the creditor entitled to recover the full amount listed in the book.

Lien Law Applies Exclusively to Warehousemen

RECENTLY a buyer purchased certain machinery and stored it in an ordinary store-room. Later, when the purchaser failed to pay for it, the seller sued the owner of the store-room to recover possession of the machinery. The latter contended that he was entitled to a lien on the machinery, for payment of the storage charges under a State law which provided as follows:

"Every person, firm or corporation who furnishes storage room for furniture, tobacco, goods, wares or merchandise and makes a charge for storing the same, has the right to retain possession of and a lien upon all furniture, tobacco, goods, wares or merchandise until such storage charges are paid."

However, it is interesting to observe that the Court held the owner of the store-room not entitled to a lien, saying:

"According to the rule, that the object of all interpretation and construction of statutes is to ascertain the meaning and intention of the Legislature, a statute should receive a strict or liberal construction, as the one or the other will accomplish the legislative intent. . . . It gives the warehouseman a lien on goods deposited or on the proceeds thereof in his hands, for all lawful charges for the storage and preservation of the goods. It was probably in consideration of public service or the performance of a statutory duty, such as the payment of a privilege tax or the execution of an official bond, that the Legislature granted to warehousemen a lien on goods in storage. Construing the several statutes, we are convinced that section 2459 applies *only* to those engaged in the business of accepting goods for storage and making a charge therefor at the time they are received."

When Tenant is Entitled to Remove Buildings

IT is interesting to know that any firm which erects frame buildings, not legal fixtures, upon leased land may rightfully remove the same at the termination of the lease contract.

This point of the law was involved in

the recent case of *Kay Co. v. Bryant*, 276 Pac. 218. The facts are that a company entered into a contract with a land owner whereby the latter consented to the former erecting on the premises certain frame buildings. All of the buildings were set upon concrete foundations, and the lessee paid a yearly rental for this privilege.

When the lease terminated, the land owner attempted to prevent the lessee from removing the buildings. However, the Court held the lessee entitled to dismantle and remove the structures, saying:

"Generally a building erected on the land of another by his license or consent does not become part of the realty, but remains the property of the person annexing it. . . . Such a building does not pass to a purchaser of the land. . . . This rule certainly holds when there is an express reservation of a right to remove the building; and generally it is considered that, where the land owner consents to the placing of a building on his land by another without an express agreement as to whether it shall become a part of the realty or remain personalty, an agreement will be implied that it is to continue personal property. . . . Three general tests which may be applied in determining what are fixtures: (1) Annexation to the realty, either actual or constructive; (2) adaptation or application to the use or purpose to which that part of the realty to which it is connected is appropriated; and (3) intention to make the article a permanent accession to the freehold."

Holders of Warehouse Receipts for Crop Entitled to Merchandise

GENERALLY speaking, the holder of warehouse receipts, rightfully in possession, is entitled to the merchandise for which the receipts were issued irrespective of claims presented by others.

For illustration, in *Buelow v. Abell*, 121 So. 657, it was disclosed that a property owner contracted with a tenant whereby the latter used a farm to raise a crop with the agreement that the landlord should have an interest in the product raised by the tenant.

After harvesting the crop the tenant stored it in a warehouse and received negotiable warehouse receipts, therefor, which he sold to another person. Later the landlord sued to prevent delivery by the warehouseman of the merchandise to the holder of the receipts, on the legal contention that the landlord held an interest in the goods. However, the Court promptly held the holder of the receipts entitled to delivery of the goods, saying:

"It is a familiar rule that one who has no title to chattles cannot transfer title unless he has the owner's authority or the owner is estopped. . . . It follows that, in the absence of circumstances creating an estoppel, one without title cannot transfer it by this simple device of warehousing the goods and indorsing the receipts. But if the owner of the goods has permitted another to be clothed with the apparent ownership through the possession of warehouse receipts, nego-

liable in form, there is abundant ground for protecting a *bona fide* purchaser for value to whom the receipts have been negotiated. . . . Under such circumstances, the purchaser is charged with knowledge that the crop is, or may be, burdened with privileges. . . . It has been held that such privileges are lost when not asserted in time to prevent the products on which they rest from entering the channels of trade; the theory being that, when such products are sold in open market and enter into commerce, they are no longer 'crops,' but merchandise."

Liability for Fire

LEGAL EDITOR, *Distribution and Warehousing*: We were hauling furniture which caught on fire. This furniture was packed by the manufacturers and we being hired only to haul it. The fire was discovered by a pedestrian, near the rear of the truck. Our driver was not smoking at the time. Are we liable?—*Apex Storage Co.*

Answer:—You are liable if you are legally a common carrier. A Court recently explained that a carrier is a common carrier if he is engaged in the business of carrying goods for the public, and so holds himself out; if he undertakes to carry goods of the kind to which his business is confined; if he undertakes to carry by methods by which his business is conducted and over his established routes; if the transportation is for hire; if he is liable for refusing without reason to carry such goods for those willing to comply with his terms.

Liability for Employee's Act

LEGAL EDITOR, *Distribution and Warehousing*: Is a warehouseman responsible for a contract made by an employee by which it is agreed that the former will be responsible for injury to goods received for storage?—*Local Warehouse.*

Answer: Yes, if the employee is a manager who acts within the scope of the employment making the contract and the terms of the agreement are not against public policy.

However, you are not liable for any statement or contract made by a common employee.

Soliciting Business

LEGAL EDITOR, *Distribution and Warehousing*: The owner of a warehouse building intends to operate a warehouse as soon as the present warehouseman's lease expires. Is this legal? We presume the building owner can, by ample broadcast advertising, give notice to the public and all parties, who may be storing in the building, that he has taken charge of the premises and will assume the warehouseman's place from that time on.—*Fidelity Storage & Transfer Co.*

Answer: All competitors may without liability solicit business presently enjoyed by others. In doing so, however, care must be exercised not to obtain any

business from persons under contractual obligations with others.

Any person is liable in damages who induces another person to breach a written, oral or implied contract. Obviously, under these circumstances, the landlord must exercise unusual care; otherwise he would be liable in damages to the tenant for any contracts of customers thus obtained.

Franchise Hauling

LEGAL EDITOR, *Distribution and Warehousing*: We have recently started to haul cattle and hogs to St. Paul market, and are hauling freight on the return trip from St. Paul and Minneapolis. We do not make a daily trip, but once or probably twice a week, and not on any regular day of the week. Others have franchise on this same

Directory Information

DID you have notarized the Information Sheet you sent for the 1929 Warehouse Directory? If not, ask for its return. Only notarized information will give you a Starred listing—and the Directory consultant gives the Starred listing prior consideration.

highway. Can we get in trouble doing this or not?—*Schwartz Transfer.*

Answer: I advise you to get in touch with your State public utilities commission regarding whether you are required to obtain a permit to do this hauling.

I can cite you many cases where the Courts have held that a private carrier is not required to obtain a permit from the public utilities commission. Also, if you desire, I can cite other cases which have held that a common carrier, of your class, occasionally hauling promiscuous merchandise on a return trip is not required to obtain a permit.

If you obtain permission of the commission in advance you will eliminate considerable trouble and expense, because each case is decided on its individual merits. The outcome is directly dependent on the kind of hauling; the service given by other common carriers on the same route; the number of motor trucks operated; the rates charged for hauling freight, etc.

Selling Goods for Charges

LEGAL EDITOR, *Distribution and Warehousing*: We are enclosing a copy of the letter already mailed to the client whose goods we wish to dispose of to cover storage charges. Can we sell the goods if he does not pay?—*Pacific Coast Warehouse Co.*

Answer: Generally speaking it is necessary for a warehouseman who desires to sell goods for storage charges to mail a letter, such as you have mailed, notifying the owner of the goods of the intended legal procedure unless payment is forthcoming. Afterward the ware-

houseman is required to advertise the sale for a period, specified by the law in the State where the warehouse is located, and the goods must be sold in strict accordance with the peculiar laws of that locality. Variations from these laws make the warehouseman liable in damages for the full value of the goods.

Joining a Union

LEGAL EDITOR, *Distribution and Warehousing*: We are having trouble in getting into Chicago with a load of furniture as the union men down there are stopping our trucks. Will you kindly advise us which union or association to join so we do not have this trouble?—*Jules Peters.*

Answer: It is advisable for you to obtain information of the name of the union causing the trouble, and if you desire you may join it. Only such organizations as are affiliated with the union causing you trouble can give you protection.

Missing Furniture

LEGAL EDITOR, *Distribution and Warehousing*: Some time ago we took a load of furniture from a warehouse and signed for the furniture in full. Upon delivery, the owner claimed that he was a piece short and he wants an adjustment. The warehouse people checked the list over as we loaded but we did not see the list or had we any way of knowing if we received the right number of pieces. Please advise what we can do.—*Central Trucking Co.*

Answer: It is your duty carefully to check all articles of merchandise which you transport in order that you may know whether or not the owner's list is correct.

If you sign a receipt containing the list of articles which you do not actually receive, later the owner may file suit and recover the value of these articles which appear to be missing, unless you can prove the list was incorrect and that you did not receive the articles listed therein.

If the warehouse employees checked the list you can use them as your witnesses to prove that the list was incorrect and in this manner you can avoid liability.

National Freight Starts Service

The National Freight Co., a subsidiary of the Pennroad Corporation and which recently acquired the Judson Freight Forwarding Co., inaugurated car service on Oct. 15 from New York and Newark to Chicago, Cincinnati, Cleveland, Denver, Detroit, St. Louis, Kansas City, Milwaukee, Minneapolis, Los Angeles, San Francisco, Seattle, Wichita and other cities.

New Cold Storage Plant in 'Frisco

The Growers Refrigeration Co., recently organized in San Francisco, has opened a cold storage warehouse, available for local commission merchants, on Oregon St. between Front and Davis Sts.

WHAT'S WHAT IN NEW BUILDINGS

No. 127

William H. Schaefer & Son, Inc.,
Stamford, Conn.

WILLIAM H. SCHAEFER & SONS, INC., a household goods warehouse firm in Stamford, Conn., has awarded a contract for an addition to its Boston Post Road plant. When completed it will give the company a total floor area of 61,000 sq. ft. William H. Schaefer, the president, was at one time executive secretary of the National Furniture Warehousemen's Association.

The new unit, five stories high, will extend 10 ft. beyond the existing building to the front lot line, and 20 ft. beyond it in the rear. The 20-ft. width behind the present warehouse will be improved with a one-story garage and driveway abutting the new plant. Vans will back up in this driveway to a loading platform in the new structure and may be garaged overnight, as standard cut-off walls with automatic doors have been provided between the driveway and the warehouse.

The entire first floor of the addition will be devoted to the packing and shipping department, with windows along the lot line for light and ventilation.

The second floor will be used for the storage of rugs, trunks and upholstered sets, and will be subdivided into vaults for each of these commodities. Each vault will be of reinforced concrete with a steel vault door bearing a combination lock and equipped with metal racks.

The third and fourth floors will be used for open storage. Upon completion of this building, individual rooms will be built on all floors of the existing warehouse.

The top floor of the addition will be devoted entirely to rug-cleaning, and will be a modern plant. A skylight running the length of the building will be provided, together with numerous windows in the

side walls, thereby insuring ideal working conditions. The rug-cleaning plant will consist of a modern rug beater, scouring platform, wringer and a forty-pole conveyor dry room capable of completely drying its capacity in less than four hours. Special rug racks will be provided for rug storage on this floor. For the convenience of employees, a rest and locker room with toilet facilities will be installed.

The freight elevator in the present warehouse is so located that it can be used to serve both units, and openings equipped with fire doors will be cut through

the walls on each floor, directly in front of the elevator.

A passenger elevator will be installed in the new unit, with an opening to the office and on each floor.

The new warehouse was designed by Kingsley Service, Inc., New York, and the construction is

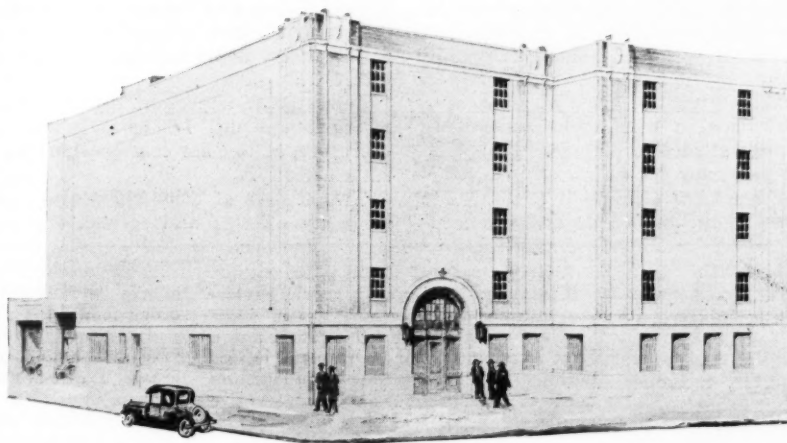
under the supervision of the Kingsley firm.

The American Nomads

HERE it is Moving Day again, with a whole lot of people all hared up and fagged out. Everybody knows that this semi-annual migration is stupid. It's bad enough for one family to have to go house-hunting, break up the old home and pile into a new one. But when thousands do it all at once, it becomes a chaos of discomfort, a masochistic orgy which shows how cock-eyed our civilization is. Truckmen, decorators, furniture dealers, janitors, electricians, plumbers, as well as tenants and owners, suffer by it. Landlords and real estate agents are chiefly to blame, and conscious of the fact, they are making an earnest effort to break up the system by staggering leases over a twelve-season year. In Chicago during the past year 100,000 leases have been written to expire on dates other than the first of October or the first of May.

That's to the good. But of course the real trouble is that we are still a restless, pioneering people, a race that would die if it had to stay put. What with the motor car, good roads, and far-flung industries that must shift men rapidly from one job to another over great distances, we are the modern nomads. And Moving Day is but part of the price we pay.

—An editorial in "Judge."



MOTOR FREIGHT DEVELOPMENTS

FOR the busy executive of a warehousing business who is keen to keep abreast of the times there are several important new things to think about in the field of motor freight. Developments are following one another at a rapid pace, and all have a distinct bearing on the cost and opportunities of handling the hauling requirements of any warehouse business, regardless of its size. There are many advancements being made on the manufacturers' side of the industry, and some of these will be discussed in this department, which is conducted

By PHILIP L. SNIFFIN

THIS MONTH

Color Combinations, Conservative or Striking, Are the Keynote of Effective Truck Painting. Some "Copy" Writing Suggestions

THE nearest approach to the motor truck as a standard advertising medium is the billboard, poster or car card, all of which have things in common. In the first place, the message must be short and to the point. It must say something and say it quickly, so that "he who runs may read." It must catch the eye by means of a compelling color combination, a convincing advertising statement or an unusually attractive picture.

The arranger of a lay-out for the painting and lettering on a fleet of motor trucks would find it profitable to observe and study some of the billboards and car cards

used by national advertisers in his city. Get the spirit of the advertising message they have to tell you. Notice how comprehensively they do it in a few words. See how cleverly they use colors to catch the eye and to make an interesting picture.

Color is the important feature of an attractive scheme of truck painting. Let us make some definite suggestions, therefore, as to color combinations which have worked out satisfactorily.

Two classes of color shemes are given—first, for conservative effects; and second, for striking effects.

Some Color Combinations

IN these suggestions it is intended that the first color of each combination is the base color and the second the trim to be used for striping on the body, lettering and running gear, including wheels.

Conservative color schemes:

1. Dark brown and buff with deep buff outline.
2. Dark blue and white with black outline.
3. Buff and dark brown with light brown outline and slight touch of red in striping.
4. Battleship gray and black with silver outline.
5. Black and white with slight touch of red in trade-mark or striping.
6. White and black with silver gray outline.

Striking color schemes:

1. Pale blue and medium blue with dark blue outline and white center on lettering.
2. Orange and bright blue, yellow outline.
3. Deep yellow-buff and chocolate brown with violet as secondary color for lettering.
4. Black and white checkerboard, panel inset for lettering.
5. Orange and dark blue with light blue outline.
6. Robins' egg blue and white with light blue outline, black striping.

7. Bright red and black, white outline.
8. Maroon background, scarlet lettering, outlined with black.

When using a dark background and a light letter it is well to have the letters outlined in a darker shade of the colors used for lettering if a more conservative effect is desired.

Suggestions on Lettering

NOW the right kind of an advertisement to put on a motor truck, as far as wording is concerned, can be nothing more than a slogan—and a slogan, according to the advertising dictionary, is a complete story boiled down to a few well chosen words. A slogan gains force by sheer repetition. It becomes good or bad—the fixed opinion of the public toward the firm which uses it.

The selection of a slogan, or whatever copy may appear, on a motor truck must not be left to the moment's inspiration, but should be created upon a common-sense basis, and it should actually represent the business for which it is selected. It must be the kind of a phrase which will "wear well" year after year and stand the weight of considerable responsibility as it grows more and more prominent.

By far the most desirable opportunity offered in cashing in on the advertising value of delivery equipment is that of distinctive and attractive lettering on the vehicle's body.

Some concerns prefer to use novelty effects with colors which "clash" in order to attract attention.

Some even go so far as to create a "freak" combination of colors which will create a distinctive originality for the company.

For the most part, however, such attempts have been more nearly confined to fancy arrangements of color, with possibly an illustration to impress some particular selling point in conjunction with the concern's other advertising.

Another school of opinion favors extreme conservatism in the use of simple, dignified and characteristic lettering which serves alone to build a character and prestige for the company. Those who have adhered to this policy are usually emphatic in believing that all through their advertising they should provide that simple touch of refinement and conservatism which will go far to create good-will of a favorable sort in the public mind.

Yet, no matter how the individual owner may look upon the characteristics of such advertising, there are a few suggestions which may be offered and which will prove interesting to review. They may be briefly stated as follows:

1. As in all other advertising, in order to create interest the subject must work hard for attention. Therefore it is extremely advisable to get away from the commonplace, either in one direction or

another. It is usually not enough to merely say that "We will put the firm name, address and telephone number on the body along with a few words to describe our service, and leave the arrangement and color scheme up to the painter." Careful thought should be given to the phrasing and arrangement in each case, in order to provide the most desirable advertising appeal and so as best to reflect the character of the business. Once having found a good arrangement, it should be used for all trucks in the fleet. Even greater attention should be given to this than to other phases of advertising.

2. There is much to be said in favor of the adoption of a distinctive trade mark or slogan, or both, and the promi-

nent display of this on the delivery vehicle. By the association of idea, expressed either in an appropriate illustrative trade mark or a few well chosen words, it is always conceded that the most effective "selling talk" can be put across in the public mind. There is an unusual opportunity for a wide and constant display of such a trade mark or slogan by reproducing it prominently on the truck body.

3. The telephone number, when it is fortunately easy to remember, deserves a prominent place on the body design. Many concerns have expressed the opinion that they obtain a substantial amount of business by giving good display to the telephone number so that it will be easily recalled.

4. Good painting and lettering are always justifiable and this fact is borne out by the experience of those who have always insisted upon it. A cheap job will invariably look cheap and will reflect an unfavorable impression.

5. Experience has shown that a definite system should be adhered to in keeping up the vehicles appearance. By careful attention to the following four elements, the concern will not only keep its trucks in attractive appearance, but it will be assured of obtaining a maximum of economy in doing this:

(a) Insistence on good painting and lettering in the first place; (b) frequent, complete washing and polishing; (c) revarnishing just as soon as the original

(Concluded on next page)

Motor Car Carrier a New Type of Truck-Trailer for Transportation of Automobiles

A NEW type of truck-trailer for the transportation of automobiles, known as the Motor Car Carrier, has been perfected in Detroit by R. B. Simning, formerly connected with the White Motor Truck Co.

The first model, illustrated herewith, was built by Whitehead & Kales, and has been in daily service for the past two months carrying automobiles between Detroit, Chicago and other points.

Six cars can be loaded on the carrier—three each 16 feet long on the upper deck, and three each 14 feet 5 inches long on the lower deck. The average height loaded is 12 feet 4½ inches, and the maximum height is 12 feet 6 inches. The vehicle is 96 inches wide and 48 feet 3 inches long.

The carrier can be loaded and unloaded with speed. Two men can load the six automobiles, tie them down with special appliances, and be ready for the road in forty minutes. And it takes just about half that time to unload the cars at the dealer's door.

A unique feature is an elevator, at the rear, operated by a Wood hydraulic hoist which raises the cars to the sec-

ond deck. Power for the hoist is furnished from the truck motor, which, in the experimental vehicle now in use, is a Model T-60 3½ ton G. M. C.

The carrier is loaded in the following manner: with the elevator in the lowered position, the first car is driven over short ramps on the elevator, which is then raised even with the second deck; the car is driven forward and secured with fittings provided for that purpose; the second car is loaded in a similar manner; the third car is raised on the elevator and locked; three cars are then stowed on the bottom deck. The automobiles are protected by special covers.

Weight Distribution and Tires

The dual pivoting drop rear axles with which the carrier is equipped were developed by Mr. Simning. Because of this type of axle each tire is given an even distribution of weight. This is thought to be responsible for the exceptional tire mileage that is expected. The carrier has already been driven more than 15,000 miles, and Mr. Simning believes that the tires will run 30,000 miles.

A combination of Lockheed hydraulic and B-K booster brakes on all four wheels of the trailer, as well as 4-wheel brakes on the truck, provide approximately 900 square inches of breaking surface, which is sufficient to enable the operator to stop as quickly as the average modern car equipped with 4-wheel brakes.

An average speed of 30 miles an hour is maintained on the road. The carrier is operated by two men driving on four-hour shifts. While one drives, the other sleeps in a bunk behind the driver's seat.

The first carrier built, it is claimed, has been successful for an experimental model. There have been no changes in the construction, no breakdowns or accidents, and no damage to other cars. The carrier is fast enough to keep up with the average traffic on the highways. There is no sidesway or weaving.

Motor Car Carriers, Inc., of which Mr. Simning is president, is offering the carriers to operators. Volume production is to start in the near future, according to Mr. Simning. The office of the corporation is located at 1174 First National Building, Detroit.



Two views of the new truck-trailer vehicle which is carrying automobiles in Central West



This new truck of the E. M. Bond Storage Co., Nashville, Tenn., recently completed a trip to Newark, N. J., with the loads of two families. The chassis is a Diamond-T, Model 605, with double reduction drive and a kick-up frame over rear axle to provide an extra low body platform. The body, built by the Gerstenslager Co., Wooster, Ohio, has loading space of 1,200 cubic feet. It is 20 feet long back of the driver's seat, 7½ feet high and 7½ feet wide. An interesting feature is the bed, which, just back of the driver's seat, is arranged so that one man may sleep while another drives, while on a long journey.

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paint shows the slightest signs of losing its original attractiveness; (d) complete repainting at intervals of from 15,000 to 25,000 miles, according to severity of service and method of care. The old paint should be entirely removed. This not only gives a better appearance than "painting over," but it will endure a much longer period of service.

Cleanliness of Appearance

THE opportunity for getting the most advertising advantages from truck equipment does not end with the neatness and attractiveness of their appearance on the street. Many concerns have found it very desirable to feature prominently the good service afforded by their modern fleet of trucks, in various other forms of advertising, such as newspaper, direct mail advertising and blotters. It is quite easily possible to build up an excellent sales argument for reliable and prompt service by featuring these facilities as a part of any advertising effort that may be made.

Some concerns have taken pictures of their trucks and have shown these pictures along with an appropriate caption line in the various forms of their advertising. The thought behind such an idea, of course, is that "We are equipped to render prompt and reliable service." Obviously such an idea has worth while opportunities for building up an individual personality for the truck fleet and at the same time impressing an excellent sales argument.

One of the best investments a truck owner can make is a wash rack. Every owner who maintains his own garage should install one and then see that drivers will use it regularly. It will be worth while to put aside a definite amount of each driver's time every month so that the trucks will receive a thorough cleaning at regular intervals. By a thorough cleaning is not meant merely the truck body, but getting under the truck and washing the parts where dirt if accumulated is liable to enter places where it will cause damage.

There is a double purpose in washing

a truck; first to keep it neat-appearing for the sake of the impression it will make on the street; and second, to prevent rust and damage through dirt and grit entering vital parts. Therefore, washing to be thorough must include the whole truck; the engine and parts underneath, as well as the body.

As a matter of fact, the two sides and the front and back ends of a delivery truck represent an advertising space many times the equivalent of the choicest billboard in town. It costs nothing and for this reason is often slighted. But it is worth as much thought in framing the kind of advertisement that is going to make an impression as is any other form of advertising.

Snyder Organization Is Arranging for Truck Insurance

The Central Union Truck Terminal, Inc., operated by the Warehouse Distributing Corporation, Indianapolis, headed by Tom Snyder, is arranging for all forms of insurance coverage on cargo, public liability, property damage, fire and workmen's compensation.

Recent Models

DODGE BROTHERS, Detroit: A new ¾-ton 4-cylinder truck has a wheelbase of 124 inches, 4-wheel internal hydraulic brakes and improved features in appearance and will sell at \$655 f. o. b. factory, or \$100 below the price of its predecessor. It is available in six body styles—panel, canopy, screen, express, stake and platform. Tires are 5.50/20 balloon.

It is announced also that the ¾-ton 6-cylinder is now being furnished in longer wheelbases with an advance in the f. o. b. chassis price of \$775.

Gotfredson Truck Co., Detroit: Model RB-36, a 1½-ton chassis, is described as a tailor-made job, with axle, engine, gears and other working parts specified according to conditions under which the vehicle is to operate. It is equipped with a 6-cylinder engine, 4-speed transmission, 4-wheel Lockheed hydraulic brakes and full-floating bevel drive rear axle, and is furnished with several wheelbases to provide proper load distribution. The chassis weight is 4000 pounds. Tires are 32 x 6 front and rear, with duals extra, and wheels are standard metal or optional disk.

International Motor Co., Long Island City, N. Y.: Mack has introduced a "super-duty" line of trucks comprising two 6-wheelers of 7½ to 10 tons in capacity and a 4-wheel model of 7½-ton rating. The 6-wheelers are the AC, which has a 4-cylinder engine, and the AP, powered with a 6-cylinder engine. The 4-wheeler, also designated AP, uses the same engine as its 6-wheel counterpart. Brakes operate on four rear wheels and are internal rigid shoe type. Wheelbases range from 125 to 191 inches. Wheels are steel spoke.



The above piece of motor equipment is being advertised in Kansas City newspapers by the Monarch Transfer & Storage Co. of that city as "the World's Largest Single Unit Long Distance Moving Van—the Graf Zeppelin of the Highway." This truck returned to Kansas City in October after its first long journey—Chicago, Washington, Newark, N. J., New York City and Detroit. The chassis is a 4-ton Diamond T, kick-up frame type, with a 100 h.p. engine, 38x9-75 Firestone balloon tires, and is of bus construction. The heavy-duty body, of Met-L wood, was built by the Indiana Carriage Co. and is 27 feet long inside, 7 feet 9 inches high, and 7 feet 6 inches wide. The Lavax automotive finish protects against all-weather exposure. All the lettering is of gold leaf.

Kleiber Motor Co., San Francisco: A new heavy-duty line of 6-wheel trucks comprising four models with capacity ratings of 11,000 to 20,000 pounds, and a new 4-wheel, 2½-ton speed truck, are offered. The chassis prices are \$3,500 for the 4-wheeler and from \$5,000 to \$9,000 for the larger models. Wheelbases range from 190 to 215 inches.

Spencer Trailer Co., Augusta, Kan.: A line of 4-wheel trailers ranging in capacity from 1 to 5 tons has been placed on the market. Frames are of hickory reinforced by steel plate and steel cross-members. The bolsters, of oak plated with steel on all sides, are supported by the side members of the frame and the tongue. The supporting blocks are hickory. Tongues are either steel pipe or oak, at purchaser's option. Semi-elliptic springs support the frame. Wheels may be wire, disk or spoke, as preferred.

Stewart Motor Corp., Buffalo: Range of capacity of the Stewart truck line has been increased by the addition of Model 27X which is rated 5 to 7 tons, priced at \$5,700 for the chassis. The engine is a 6-cylinder Waukesha. The transmission is a dual unit and brakes are of the 4-wheel mechanical type with vacuum booster.

Studebaker Corp., South Bend, Ind.: A new series of delivery cars are of custom design. Purchasers are given a choice of four colors on thirteen standard body combinations in three body heights and four loading lengths on three chassis—Model 20, 2360 pounds carrying capacity, chassis price \$845; Model 30, 3000 pounds carrying capacity, chassis price \$1,045; and Model 30, 4000 pounds carrying capacity, chassis price \$1,245. Prices with bodies range from \$1,175 to \$1,720. Wheelbases are 115, 130 and 146 inches respectively. The first is a ¾-ton and the second a 1-ton, each with 3-speed transmission, while the largest model has a 4-speed transmission. A Studebaker-built 6-cylinder L-head engine is used in all three chassis. Wood wheels are standard equipment on the ¾-ton and 1-ton, wire wheels being furnished at option at extra charge. Clark metal-spoke wheels are standard on the largest unit.

Ward Motor Vehicle Co., Mount Vernon, N. Y.: An "easy access" vehicle for house-to-house delivery has been developed. Like other Ward trucks, it is propelled by current from a storage battery. The chassis without battery has a weight of 2475 pounds and the total weight rating is 7250 pounds, this including chassis, battery, body and load. The speed is from 10 to 14 m.p.h.

New General Motors Body

ANNOUNCEMENT is made that a new de luxe 9-foot panel body, for light duty, is now available on the General Motors Trucks' Model T-19 chassis with a 133½ inch wheelbase.



The Warren Transfer Co., Raleigh, N. C., has placed in use this piece of equipment for both local and inter-city hauling. It is said to be the first van of its type to appear in the Carolinas. Built by the Fruehauf Trailer Co., Detroit, the trailer unit of the outfit is a standard semi-trailer. The drop in the frame directly back of the rear wheels of the tractor-truck brings the floor of the trailer near the ground for easy loading and also lowers the center of gravity. The vehicle has a rated capacity of 5 tons and space to move the contents of an eight-room house easily. On the curb side is a side door to speed up loading and unloading. Dual pneumatic tires all around permit full highway speed with safety and without danger of damage to contents.

The addition of this extra-length body is the result of demand among truck operators for a factory-built body with greater loading space for handling large bulky loads. The entire unit ready for the road weighs 4000 pounds; the total allowable gross weight, including maximum load, is 6000 pounds.

With an inside length of 108 inches, inside width of 51½ inches and inside height of 55 inches, this body provides unusually large loading space.

Features designed to increase the efficiency and comfort of the driver include rear doors which open to 47½ inches and are 50-5/16 inches high; dome light; scuff plates; deeply upholstered, slanting back driver's seat; order book holder; door locks (master keyed) and automatic windshield wiper.

Georgia Commission Ruling

WAREHOUSE and transfer companies engaged in inter-city hauling in Georgia will be compelled to pay taxes and operate under the regulations of the State Public Service Commission, just as motor buses do, according to a ruling made by the Commission in October.

"A common misunderstanding," says the ruling, "is that if one engaged generally in a transfer business within the city limits of a given municipality, but occasionally and as the opportunity offers makes trips to various sections of the States, the motor vehicle Act does not qualify him for these occasional trips.

"This is an erroneous construction. The Commission holds that one holding himself out to transport such property as tendered, though primarily engaged in a general transfer business, in a given municipality, is compelled to comply with the Act."

The "joker" in the Act, so far as the transfer men are concerned, lies in Rule 44, which says that "motor carriers holding certificates authorizing freight service where no passenger service what-

ever is rendered . . . will be relieved of the necessity of complying with the provisions of the rules affecting time schedules, so far as actual time of arrival at or departure from all termini . . . are concerned."

This enables the Commission to classify transfer companies operating out of cities of the State as bus companies hauling freight.

The ruling adds a tax—two cents a mile—to the Georgia transfer companies.

Ohio Commission Rules Against the New York Central

THE Ohio Public Utilities Commission on Oct. 3 denied the New York Central Railroad Co. the privilege of a rehearing on the ruling, handed down previously by the Commission, against the use of trucks by the A. B. Peek Co., Cleveland, for hauling railroad freight between Cleveland and Toledo without a certificate of convenience and necessity.

Railroad attorneys intimated that the case would be appealed, either to the Ohio Supreme Court or to the United States District Court.

The problem involves the true ownership of the Peek firm, which ownership lies with the railroad, according to the Commission.

The case in which the Pennsylvania Railroad has been cited, with the circumstances somewhat similar, is being held in abeyance pending final decision in the New York Central situation.

Motor Transport Is Booming in Minnesota

WAREHOUSE and motor transport companies serving Minnesota, Wisconsin and the Dakotas out of Minneapolis terminals over 5,000 miles of highway will extend their operations by 1,200 miles if applications pending before the Minnesota State Railroad and Warehouse Commission are granted.

Truck line operators are confident that the proposed expansion will not be blocked in the face of progress made by the industry in its relatively brief existence. Most of the opposition has come from the railroads, which contend that their own transportation facilities are adequate. Other groups have protested on the ground that motor vehicles are a menace to motorists and are responsible for the bulk of wear and tear on the State's highways.

This latter argument is met by the warehouse and trucking interests, with the statement that lines which are bonded and licensed under State regula-

tion have forced out of business large numbers of "outlaw" truckers and reduced immeasurably in this way the inevitable wear on highways. Further, they point out, the truck lines' contributions in license fees to highway maintenance funds has been established on a basis by which they pay proportionately for their share of road depreciation.

Bekins to Discontinue Certain Truck Routes

THE Bekins Van Lines, Inc., identified with the Bekins Van & Storage Co., the latter operating in Los Angeles and

other California cities, has been granted permission by the California State Railroad Commission to discontinue motor truck service over the following routes and all intermediate points on each of the routes:

Los Angeles to San Francisco via Glendale.

Los Angeles to Pasadena.

Los Angeles to San Pedro and Long Beach.

Los Angeles to Redondo, Hermosa and Manhattan Beach.

Los Angeles to Venice, Ocean Park and Santa Monica.

Los Angeles to Banning.

Modern Warehouse Business Developed at Tientsin, China, by an American College Graduate

IN Tientsin, a Harvard graduate—M. T. Taso, Class of 1921—is operating a modern warehousing business with a building, illustrated herewith, which is filled to 90 per cent of its capacity.

The firm is the Continental Bank Warehouse, identified with the Continental Bank, the president of which is L. S. Tan. The storage business was established on May 1, 1927.

Covering an area of one and a third acres and of reinforced concrete throughout, the warehouse is perhaps the finest structure of its kind in North China. Its three stories contain more than 1,030,000 cubic feet of occupiable space. Cotton and flour are the two largest items of merchandise in storage.

The ground floor is exclusively for storage of cotton. Its ceiling height is twenty-two feet. Native press packed cotton weighs about 200 pounds to the bale and occupies 19.27 cubic feet. Ten thousand bales are stored year in and year out.

The second story is seventeen feet high and the third is twelve feet, nine inches. These two floors are for storage of flour, yarn, paper and other merchandise.

Owing to the success of the first warehouse, a lot of land immediately west was acquired, also one and a third acres in area. The building constructed here is one story high and is exclusively for native cotton, of which 12,000 bales are stored throughout the year. This building was opened to the public on Nov. 1, 1927.

For fire prevention, fire hose is installed in each compartment as well as in the yard. In addition, there is a squad of six policemen who keep continuous watch day and night. Every evening before the closing of compartments a member of the staff, together with one go-down man and one policeman, makes the rounds and sees that all is in order. Due to the structure of the building, and its management, insurance rates are exceedingly low.

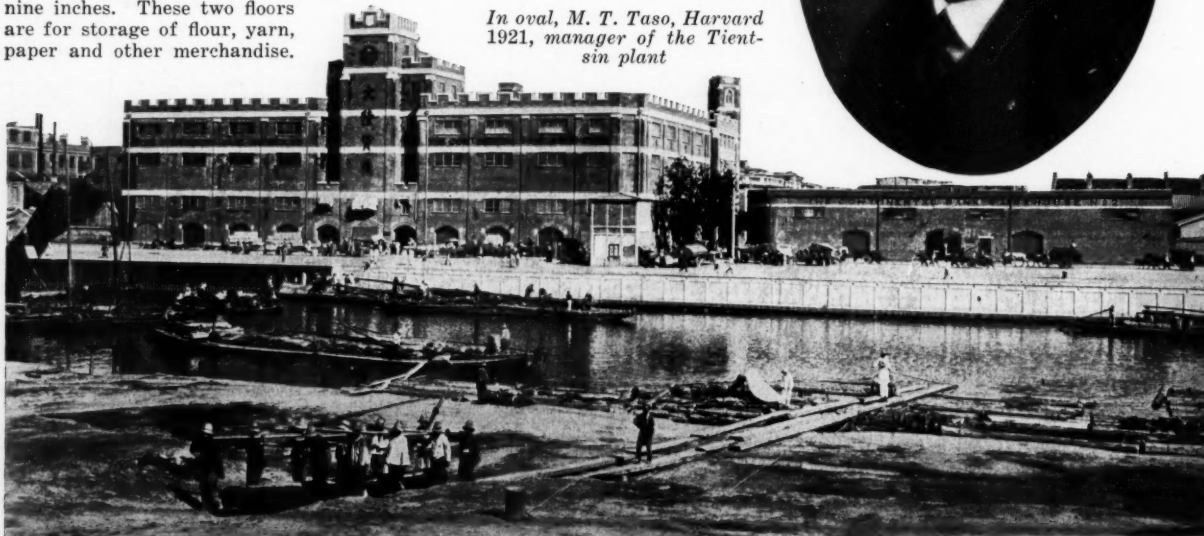
There is no modern mechanical device installed, such as freight elevator, lift trucks, etc. After a thorough study of the actual situation

of haulage over a period of two years, the company decided that a freight elevator, although space for one had been provided, would not save on handling charges.

The Continental Bank advances on the average \$1,300,000 throughout the year on cargo stored in the warehouses. The turnover of the loans is quick. Loans of that nature are, therefore, secure and liquid.



In oval, M. T. Taso, Harvard 1921, manager of the Tientsin plant



The Continental Bank Warehouse, constructed at a cost of \$750,000, located in China and operated on American ideas

WITH THE ASSOCIATIONS

HERE is presented in tabloid form the Association news that is of general interest to the industry as a whole. No effort is made to present complete reports of all Association meetings; the dissemination of such information is logically the work of the officers and the committee chairmen. What is presented here is in effect a cross-section review of the major activities so that Association members may be kept advised as to what "the other fellow" elsewhere in the country is thinking and doing. When annual or semi-annual meetings are held, more extended reports will occasionally be published.

How Trade Associations Finance Themselves Is Told by National Chamber of Commerce

VARIOUS methods used to finance the work of trade associations are described in a report made public by the Trade Association Department of the Chamber of Commerce of the United States.

The report is based on information furnished by more than 300 trade associations representing many lines of industry. It emphasizes the need for a sound financial program in order to secure the most effective results in the trade association field.

During the past few years, the report points out, there has been considerable mortality among the trade associations of the country, and one of the most fertile causes has been found to be a lack of sound financing or financial starvation. Too many attempts have been made to run a trade association on a shoestring.

The survey conducted by the Chamber's department disclosed a great variety of methods of financing trade associations. The most generally accepted methods are:

1. Uniform or flat rate.
2. Unit of production.
3. Volume of business.

Texas

THE problem of motor freight line competition with public merchandise warehousing was considered at a meeting of the executive committee of the Texas Warehouse & Transfermen's Association in Fort Worth on Oct. 4 and it was voted to create a committee of not more than three members to confer with representatives of leading motor freight operators in the State with regard to the possibility of establishing a joint office. The committee, comprising L. C. Abbott of Fort Worth and William I. Ford and Gus K. Weathered of Texas, will report back to the executive committee after the proposed conference has been held.

Prior to taking this action the executive committee had listened to a suggestion by Mr. Abbott that some cooperative arrangement might be worked out between the warehousemen's association and the Texas Motor Freight Carriers Association.

Mr. Abbott's suggestion followed a report by the warehouse association's secretary, Neill H. Banister, Fort Worth. Col. Banister said in part:

"I have been thinking seriously of the situation in the warehouse industry

which has been created by the development of motor freight lines, and of the further stabilization of the motor freight business by virtue of the recent motor common carrier law. There has been running through my mind a project which is tedious, probably involving formalities and financial intricacies, and yet, which, if properly thought out, in my opinion would be a very important step in the warehouse industry.

"I refer to the ownership, either by individual warehousemen or by a holding company with warehousemen at common interest, of a Class A franchise for the operation of a motor freight line between the principal cities of Texas. I cannot dissociate the idea of distribution from warehousing. It occurs to me that the warehouse is simply a temporary residuary of goods in transit, whether legally so or not. The warehouseman is vitally interested in distribution. The distributor is vitally interested in warehouse repositories.

"If this thought contains what I believe it does, it is one which cannot be indefinitely postponed, for the reason that franchises will not long be available. At present a number of warehousemen own or control franchises from and to many of the principal cities of Texas.

4. Number of employees
5. Pay roll.
6. Capital investment.
7. Agency rating.

"It is interesting to note," the report explains, "that approximately 39 per cent of the associations reporting have adopted the volume of business method. The second method most commonly used is that of uniform or flat rate dues, which is used by 27 per cent of the organizations, while 16 per cent use the unit of production method. Four per cent pay their dues upon the number of employees, while 8 per cent have adopted a combination of methods or have established unusual methods which were not comparable with the above types."

A number of associations, it is shown, establish a minimum due basis regardless of the general method used. The minimum rate ranges from \$10 to \$750.

According to the report, approximately 50 per cent of the associations reporting have an income of \$25,000 and less, whereas more than 10 per cent have an income of \$200,000 and more.

If this course were determined upon, other warehousemen could set about to secure the remaining franchises which would be vital to the completion of the essential network. I am no prophet, but I believe this matter is worthy of very earnest and seasonable consideration."

Missouri-Oklahoma-Kansas

(Continued from page 21)

close a contract for storing is but the beginning of things. It is the first step in a long period of contacts which must be mutually satisfactory and mutually profitable. As long as the relation lasts, the warehouseman ought to keep "selling" his service to the storer. If the warehouseman fades from the picture after signing the contract, if he commits everything to clerks and employees, he takes a needless risk of losing the account. Finding a good "excuse" for cementing the personal ties with real managers of the storer's organization is a necessary way to hold and increase business from established accounts.

The warehouses, too, must prepare to live up to the promises held forth in the projected advertising. They will be throwing away their opportunity to share in the results if they neglect to know

their costs, if they fail in the service expected of good warehouses, or if they follow unethical practices.

One speaker gave illustrations of "how to peddle out your unprofitable accounts." In this plan, he assumes that some accounts will be lost to competitors. He then determines for himself which accounts are unprofitable or otherwise undesirable, and, when these show signs of being tampered with, he would let them go without a fight. By knowing costs, and earnings, from each account, it is possible to set up a "yard stick" by which to measure the place where an account ceases to show a profit. Such an account then becomes one which the "warehouse is willing to lose without weeping."

It was also pointed out that profits from warehousing are seldom uniform, even within a city, as to "business being good" or bad. Earnings are more or less spotty all the time, but, as observed by one of those present, the man who complains of poor business usually is in a mood to blame somebody or something on the outside.

Ask, however, the same question of the other type of warehouseman and the reply is apt to be:

"Our business is good—better than last year. But, you know, we tried a new plan this year"—and then will follow an outline of some aggressive step to find new accounts or to turn old accounts into better profit.

"Business is good," commented this speaker, "for the warehouse which injects imagination, new ideas, into its solicitation—for the warehouseman who works his brain more than he does his feet. Smoke-stack chasing may keep you busy, and make you so tired that you sleep like a child at night, but it is child's play. It is not man's work. A man's work is brain work—the application of originality and planning and the economizing of shoe leather."

The round-table was a frank discussion of intimate problems as they relate to new business. It was undoubtedly the most profitable session of the convention. No ill feeling developed, nor so much as mention of the word "price cutter." The talks were, on the contrary, constructive and helpful suggestions for the getting of new business.

Central Illinois

THE Central Warehousemen's Association of Illinois held a meeting at the Aurora-Leland Hotel in Aurora on Oct. 14-15 and authorized the legislative committee to file complaints with the State authorities against warehouse operators storing personal property for hire without having first secured licenses as required by State law.

It was voted to create a committee to work with a similar group representing the Illinois Furniture Warehousemen's Association in drafting a bill, for presentation at the next session of the State Legislature, with regard to regulation of public warehouses.

Martin H. Kennelly, Chicago, president of the Allied Van Lines, Inc., emphasized the importance of all National

New Membership Affiliations

American Chain of Warehouses
Heisig Storage & Transfer Co.,
Beaumont, Tex.

American Warehousemen's
Association
(Merchandise Division)

Dallas-Trinity Warehouse Co., Dallas.
Soo Terminal Warehouse, Chicago.
Winn & Russell, Inc., Seattle.

Central Warehousemen's Association
of Illinois

Brunton Transfer & Storage Co.,
Brunton.
West End Storage, Springfield.

Minnesota Warehousemen's
Association

Wachter Transfer Corp., Bismarck,
N. D.

National Furniture Warehousemen's
Association

Walker Storage & Van Co., Inc.,
Birmingham.

Southern Warehousemen's Association

P. R. Huffstetler Transfer Co., Gas-
tonia, N. C.
Smith-Kirby Transfer Co., Lenoir,
N. C.

Walker Storage & Van Co., Inc.,
Birmingham.

Furniture Warehousemen's Associations becoming A. V. L. agents. Following discussion of the subject, Mr. Kennelly answering numerous questions, six members signified their intention of becoming agents. Clares A. Ullman, an A. V. L. central district director, urged the need of an A. V. L. round table and it was voted to establish one, the first session to be held at the Central association's next meeting, which will be held Feb. 17-18 at Danville, the home city of the organization's president, C. B. Hall.

Attending the meeting was 73 per cent of the membership. Twenty-four warehousemen came down from Chicago, including seventeen members of the Illinois F. W. A. The convention banquet was addressed by State Senator Harold Kessinger.

—Russell E. Hillier.

Massachusetts

PROBLEMS arising relative to the storage of potatoes in warehouses, such as temperatures, methods of handling and arranging for their distribution uniformly, were discussed at the October meeting and luncheon of the Massachusetts Warehousemen's Association, held at the Exchange Club in Boston on the 15th. President Samuel G. Spear presided.

There was much interest regarding the possibilities of establishing an arbitration board for the industry. After discussion it was decided to allow the subject to go over to a later meeting.

President Spear, Richard M. Tyler and Stephen H. Whidden were appointed delegates to represent the industry at the New England Conference, which will be held at the Hotel Statler, Boston, Nov. 21 and 22.

Gardner Poole was elected to honorary membership in recognition of his activities during many years in the ware-

house industry. Mr. Poole is a former president of the Massachusetts association and also of the American Warehousemen's Association. Mr. Poole expressed his appreciation of the honor extended him and then made a report on the present administration of the Federal Warehouse Act.

—S. F. Holland.

Cleveland

AT the annual meeting of the Cleveland Furniture Warehousemen's Association, at the Hotel Cleveland on Oct. 14, officers for the ensuing year were reelected, as follows:

President, H. F. Hemler, secretary Knickerbocker Storage Co.

Vice-president, R. H. Woodruff, treasurer Andrews Furniture Storage Co.

Secretary-treasurer, W. H. Turner, treasurer Lincoln Storage Co.

Notes

THE office of the Texas Warehouse & Transfermen's Association has been transferred to 710 Dan Waggoner Building, Fort Worth. Here, too, have been located the offices of the southwestern district of the Allied Van Lines, Inc., the inter-city removals agency of the National Furniture Warehousemen's Association. Neill H. Banister, as secretary-treasurer of the Texas association, is district manager for A. V. L. His office was formerly at 712 Marine Bank Building, Houston.

The Connecticut Warehousemen's Association at its October meeting, held in New Haven on the 10th, voted to write to the National Automobile Chamber of Commerce supporting the Chamber in the latter's attitude that taxation of motor trucks was excessive, and offering co-operation if called upon.

The Southern Warehousemen's Association will hold its annual convention at the Hotel Charlotte in Charlotte, N. C., on Nov. 7 and 8. The local Chamber of Commerce is cooperating to make the meeting a success.

Announcement is made by the secretary, Sydney M. Green, that the headquarters office in Atlanta has been removed to the Norris Building from Room 424, Peachtree Arcade.

The Massachusetts Warehousemen's Association held its annual outing on Sept. 17 at Framingham. The thirty-one members and guests who attended included W. E. Halm, formerly president of the New York Dock Co., and Gardner Poole, a past president of the American Warehousemen's Association.

The central division of the Pacific Coast Furniture Warehousemen's Association on Sept. 14 resumed its monthly meetings after the summer vacation. A. D. Allen, Sacramento, led a discussion on "Uniform Methods of Estimating."

Brooklyn

AN appeal for recognition as a local affiliated with the National Furniture Warehousemen's Association has been made to the National by the Furniture Warehousemen's Association of Brooklyn and Long Island, which, organized about two years ago, now has 46 firms of which 17 hold memberships in the National.

The appeal is opposed by the New York Furniture Warehousemen's Association, which thus far is the National's one affiliated local in the metropolitan district. The New York F. W. A., which has Brooklyn and Long Island houses on its roll, contends that the National's interests in New York will be the more efficiently served through itself as the only affiliated local.

The Brooklynites' position is that Brooklyn is a city by itself—geographically, commercially and financially—and that the National's representation in Brooklyn cannot be expected to increase and strengthen unless the Brooklyn and Long Island association is accorded the recognition it seeks.

The situation involves the N. F. W. A. policy that, in any city where a recognized affiliated local exists, a warehouse company seeking membership in the National must first be recommended by that affiliated local after having had one year's membership in that local.

In Brooklyn, 17 members of the Brooklyn and Long Island association are today members of both the New York F. W. A. and the National.

But there are 29 firms which, members of the Brooklyn and Long Island body, are not members of the New York F. W. A. Inasmuch as the Brooklyn association is not one of the National's recognized affiliated locals, these 29 companies cannot join the National unless they first join the New York F. W. A. and there serve one year each as a member.

The Brooklyn association's officers consider this an unfair situation. Those of its 29 members who wish to join the National have no desire to become members of the New York F. W. A. The Brooklynites contend that conditions and problems in Brooklyn and on Long Island are different from the ones on Manhattan Island and in the Bronx; that the fraternity in Brooklyn and on Long Island should be permitted to operate independently of the New York F. W. A.; and that such independence should be recognized by the National. The Brooklynites declared further that it would be unfair for its 29 members, now not identified with the National, to be compelled first to join the New York F. W. A. in order to get into the National, when they are already members of an established local association equipped to handle Brooklyn warehousing problems.

The New York F. W. A. has no objection to the Brooklyn and Long Island organization functioning but wants it considered a division or chapter of the New York F. W. A. The Manhattan members of the New York F. W. A. are said to be fearful that if the Brooklyn organization is given the National's recognition,

there would then be nothing to prevent Brooklyn companies from invading Manhattan with their vans and soliciting business at rates lower than those being charged by the Manhattan firms. The Brooklynites' reply to this is that if the Brooklyn association is accorded the National's recognition, many of the other 29 members would at once join the National; that the National's code of ethics and disciplinary machinery could then be effectively invoked against a majority of the Brooklyn companies, instead of against only 17 as at present; and that the Brooklyn association would be in a position to prevent any of its companies from invading Manhattan with vans, as apparently feared by the Manhattan firms.

As a result of the insistent appeal by the Brooklyn association to the National, the latter assigned a committee to inquire into the situation. This committee comprises James D. Dunn, Detroit, president of the Michigan Furniture Warehousemen's Association; F. L. Harner, Philadelphia, president of the Pennsylvania Furniture Warehousemen's Association; C. J. Hamilton, Baltimore, a past secretary of the Maryland Furniture Warehousemen's Association, and Willard Eldredge, Atlantic City, a past president of the New Jersey Furniture Warehousemen's Association.

These four, all of whom are members of the National's board of directors, met with members of the boards of the New York and Brooklyn associations at the Hotel Pennsylvania in New York on Oct. 7 and the contentions of the two local associations were placed before the committee.

The committee did not decide the controversy. It will submit a report to the National's directors. The Brooklyn association was requested to support its appeal through filing a brief setting forth its claims. Such a brief has been sent forward to the National by Walter W. Weekes, secretary of the Brooklyn and Long Island association.

At the Brooklyn organization's October meeting, held at the Hotel Clarendon in Brooklyn on the 21st, James A. Perry, the president, outlined briefly what took place at the Hotel Pennsylvania conference. He declared that the Brooklyn association was entitled to the recognition being sought and said that recognition would strengthen the National's position in the metropolitan area and at the same time would enable the Brooklyn organization itself to benefit conditions locally because affiliation with the National would assure the required discipline locally.

—Kent B. Stiles.

Detroit V. O. A.

THE Detroit Van Owners' Association has been experimenting with cooperative buying of supplies during the past few months, and the members seem to be of the opinion that considerable savings can be effected by this means. The first experiment consisted of the purchasing of motor oil, on which 30 per

cent was saved, but this ended disastrously when it was learned that the oil was re-refined rather than a good grade of fresh oil.

The members believe that gasoline, hardware, lumber, van supplies and other such commodities may be bought for the entire membership at greatly reduced prices in many instances, and the problem is being studied carefully by the organization. It is probable that definite steps in this direction will be taken during the winter months.

A. M. Pearson, transportation engineer of the Federal Motor Truck Corporation, addressed the members of the Detroit association, at a meeting on Sept. 17. He outlined the results of investigations made by his company into the cost of operating and maintaining trucks, using charts and a blackboard to illustrate his points.

Roman Miller, chairman of the standard advertising committee, reported that his committee had turned over to the Better Business Bureau data concerning misrepresentative advertising in the telephone book and other mediums, and said that the Better Business Bureau had promised to investigate the complaints. Several different types of misrepresentative advertising were found, mostly being confined to the smaller organizations. In some instances these organizations so worded their advertising copy as to give the impression that they were affiliated with prominent firms; in other cases one firm was advertising under two or more different names; in still others, unwarranted statements were being made concerning the business of the advertisers.

The public utilities committee, under Charles Breault, reported that all leaks of information from public utilities had been stopped. For a long time clerks in the public utility offices had been copying lists of "disconnects," and other information, intending to show that persons were about to move, off the records of the company and were selling these lists, without the knowledge of their employers, to moving concerns.

The Detroit association contended that this constituted unfair competition, and the public utilities upheld this attitude and took immediate steps to apprehend the offenders when this situation was brought to their attention by the committee. In several instances detectives were placed on the trail of the leaking information, resulting in several employees being discharged and others being warned to cease this activity.

A. N. Morris, executive secretary of the association, reported excellent progress with his campaign against unlicensed movers. He had made it his business to check up on certain companies operating vans without city licenses and without bonds to protect the public against unfair treatment with regard to claims for damaged furniture, and this information he turned over to the proper detail of the police department, which has agreed to cooperate with the van owners in stopping violations.

—H. L. Lawson.

The Family Album Presents Sketch of Carl W. Wittichen

(Concluded from page 33)

a building the organizers insist they have realized \$100,000,000 invested in character. The club was founded about eight years ago, the money for building and equipment being raised in a subscription campaign in which Mr. Wittichen took a leading part. Maintenance comes from the community chest fund. The boys' dues are three cents a month each—this for self-respect.

Besides moral training the boys are taught practical mechanics to fit them for useful occupations in later life. There are night classes in brick-laying, auto repairing, carpentering and cobbling. Jobs are provided for the support of the members and they are encouraged to go to school. For recreation there are sports of all kinds, with a swimming pool and a gymnasium.

Mr. Wittichen also is chairman of the camp committee of the club. It was decided that the lads needed a camp, so a list of twelve business men was made from which it was hoped \$1,600 in subscriptions could be obtained. The first nine contributed \$1,700 and the Lions Club financed the building of a hut on the camp site. The Kiwanis Club also contributed a hut to the cause.

Among his personal interests, Mr. Wittichen has long cherished a dream of an oil well—a purely visionary oil well. Seven or eight times during his life time he has dreamed of a certain spot where oil was flowing, and some day he means to hire a geologist and a drill to see how far a hunch may be trusted.

Another well he knows is more of a reality. It is an 80-foot hole in the ground where he dropped a watch that was given him by the president of the firm where as a youth in his 'teens he worked from office boy to general manager. The watch was recovered by a colored gentleman with an old oaken bucket. Twice since then this historic timepiece has fallen to the bottom of the river while its owner was fishing. Once it was recovered by means of a hook and chain but on the other occasion it took a diver to bring it safely to shore.

Mr. Wittichen is a charter member of the Birmingham Kiwanis Club. He is a member of the Birmingham Country Club; and is secretary-treasurer of the Choctaw Bend Hunting & Fishing Club, which has for its playground an Alabama game preserve of more than 9000 acres where birds, coon, squirrels, fox and deer abound.

During the war Mr. Wittichen did secret service work as a "dollar a year" man, having pledged some of his cronies who were able to go overseas that he would devote three of every six days to Red Cross work and Liberty Loan drives. He was at that time the only member of 200 at the Birmingham University Club who had not been graduated from college. He was married in 1912.

His son, Carl, Jr., now 14, is his best pal, though he looks to banking for a

Furniture in Storage 38 Years Brings \$15,000 Revenue

FURNITURE placed in the safe-keeping of the Security Storage Co., Washington, D. C., in 1891, was withdrawn this past month. Every twelve months during the past thirty-eight years the Security has received a check for the storage charges, and these have totaled about \$15,000, or many times the actual value of the goods.

¶ The story is that a Washington girl married a Spanish marquis who was a Spanish Embassy secretary, and they set up a home on R Street. A few months later the husband was transferred to another capital. The houseful of furniture went into storage with the Security and was never sent for through the ensuing years.

¶ A few months ago the wife died and the stored goods were inherited by the children, who then directed that they be shipped to Madrid and Biarritz.

career rather than to his father's warehouse.

Farm Board Loans on Stored Honey

The Federal Farm Board has granted supplementary commodity loans to the Mountain States Honey Producers Association, Boise, Idaho, a farmers' co-operative with members in Montana, Wyoming, North Dakota, Minnesota, Utah, Idaho, Oregon and Washington. The total of these loans will not exceed \$135,000.

The Board is advancing 1¼ cents a pound to supplement the loans of the Federal Intermediate Credit Bank. Spokane. The latter loan is 4 cents on honey stored in inland warehouses and 5 cents on honey in terminal warehouses.

It was represented to the Board that the association expects to market 300 cars or 9,000,000 pounds of honey this year.

Shipping Tags Simplification

Simplified Practice Recommendation No. 93—"Paper Shipping Tags"—of the Division of Simplified Practice of the Bureau of Standards, Department of Commerce, is now in effect.

The Division had received signed acceptance from a sufficient number of manufacturers, distributors and users of paper shipping takes to insure general adoption, it was announced at Washington.

Earn a Star

GIVE your company's listing, in the 1930 Warehouse Directory, added value by having the information notarized, thereby assuring it serious consideration when consulted by shippers and fellow warehousemen. Only when the information has been notarized does a listing receive the boldface Star.

Career of Joseph W. Glenn in the Family Album Series

(Concluded from page 32)

a level business head; so gradually the active management of the business fell to him.

While Owen was and is progressive, things began to happen in the field of transportation about twenty years ago that were too fast for him. And it so happened that about fifteen years ago Joseph W. went home one day and announced to his dad that he had purchased an automobile truck. He may have done it with some misgivings, but he had taken the plunge all the same: a one-and-a-half-ton Atterbury, still manufactured in Buffalo, and selling in this instance for \$3,200.

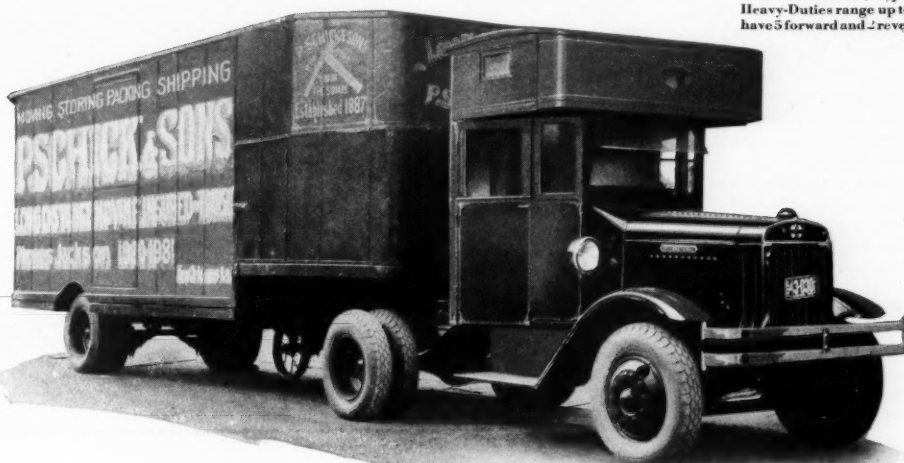
The elder Glenn threw up his hands in horror, for automobiles to him in those days meant cash and plenty of it. For the moment he probably felt like ending it all in the river. But a few days afterward, when the truck appeared with a classy canary yellow chassis, carriage painter's green body, and gold leaf lettering in the usual Glenn tradition, people began to stop the elder Glenn on the street and speak in this wise:

"So you've gone and got one of these here, new-fangled automobile trucks, have you! Well! Well! You folks must be making a pile of money, must be doing real well. How much does one of them trucks cost now? Must be a pile."

When that happened, the elder Glenn began to square his shoulders, and he decided that if Joseph W. was willing to worry about meeting the notes on the new truck, he ought to be able to stand this sort of talk himself. And then he quickly saw that the new truck would do as much in an hour as two or three horse-drawn vehicles might do in a half-day. There are now more than twenty motor trucks in the Glenn fleet.

So the fight toward success went on with Joseph W. bearing the brunt of it more and more. Today the firm has about 40,000 square feet in actual storage space. It maintains its own paint shop, body-building plant and complete service garage on Fillmore Avenue running through to Dillon Street, and has a site of 22,680 square feet with a frontage of 126 feet on Amherst Street with the object of building in the more or less immediate future a modern fireproof warehouse upon it.

While engaged in developing the business Joseph W. has also found time to take an interest in the progress of the trade as a whole. He has served as vice-president of the American Warehousemen's Association, president of the Buffalo Trucking Association and president of the New York State Warehousemen's Association, and is a director of the National Furniture Warehousemen's Association and has always been ready to help further movements for the benefit of the industry or help spread oil upon the troubled waters in case of dispute.



Note the elements of **STRENGTH, POWER, and BEAUTY of DESIGN** in the Heavy-Duty Internationals. This is Model 54, 2½-ton. Other Heavy-Duties range up to 5-ton. All have 5 forward and 2 reverse speeds.

King of the Highway

In this great automotive age the success of International Trucks stands like a beacon on the horizon. Coming into prominence like a thoroughbred destined for victory, International Harvester has scored a triumph in truck engineering and in popular approval throughout the world. The basic reason is twofold: International trucks are soundly built on twenty-five years' experience in automotive manufacture—and International performance is safeguarded by a Company-owned truck service organization without a peer in the industry.

International Trucks include the ¾-ton Special Delivery; the 1-ton Six-Speed Special; Speed Trucks, 1¼, 1½, and 2-ton; and Heavy-Duty Trucks to 5-ton. Company-owned branches at 174 points and dealers everywhere have the line on their display floors for convenient inspection. Catalogs on request.

INTERNATIONAL HARVESTER COMPANY

606 S. Michigan Ave.

OF AMERICA
(INCORPORATED)

Chicago, Illinois



INTERNATIONAL TRUCKS

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

New York's Inland Terminal Is Opposed by Warehousemen

NOTWITHSTANDING opposition by commercial and civic groups, the former including the Warehousemen's Association of the Port of New York, against the proposed inland freight terminal which the Port of New York Authority plans to build on the block bounded by 8th and 9th Aves. and 15th and 16th Sts. at a cost of about \$15,000,000, the engineers are proceeding with details of construction and operation and have outlined a system whereby 1,200 trucks of merchants and shippers may daily deposit or carry away freight.

The objection of the warehouse group to the fourteen-story terminal was on the ground that the Port Authority would be competing with the storage association's members through operating a plan free from municipal taxation.

At the hearing before the Port Authority on Oct. 1, W. C. Crosby, spokesman for the Warehousemen's Association of the Port of New York, demanded:

"What is all the rest of this enormous structure for, if only the basement and ground floor are used for the freight terminal? To what extent will the Port Authority be in decided competition with office buildings and warehouses which represent private enterprise which is not favored like the Port Authority with tax-exemption for its bonds and low cost of its borrowings? If it is only the first such warehouse, how far will this competition go?"

By "only the first such warehouse" Mr. Crosby alluded to the Port Authority's plans to put up a second terminal to serve the area from 25th to 59th Sts. and a third to serve the section from Houston St. to the Battery.

In reply to Mr. Crosby, Billings Wilson, the Port Authority's assistant manager, said:

"We have to develop our superstructure. We have to raise our own money, the same as any private corporation. We don't anticipate there will be any unreasonable competition with any other structures in the neighborhood. We are not trying to make a profit. We intend to pass along the benefit of our low costs to the railroads and the shippers, and our rental rate will reflect the rates in the region."

Stewart Browne, representing the



Van Service from A to Z

WHEN the Graf Zeppelin, German Titan of the air, landed at Friedrichshafen, Germany, on Sept. 4, completing its 'round-the-world cruise in the record-breaking time of 20 days, 4 hours and 18 minutes, it deposited at that port 113 exhibits representative of Philadelphia's great industrial resources. These exhibits, limited in size and totaling in weight 1,550 pounds, constituted one-half the freight cargo of the big dirigible. They were sent by the Philadelphia Business Progress Association, consigned to Wertheim's department store in Berlin as examples of Philadelphia-made merchandise and were displayed in show windows for two weeks, cables from the German capital later announcing that more than 250,000 persons viewed the exhibition the first week, paralyzing traffic on the opening day.

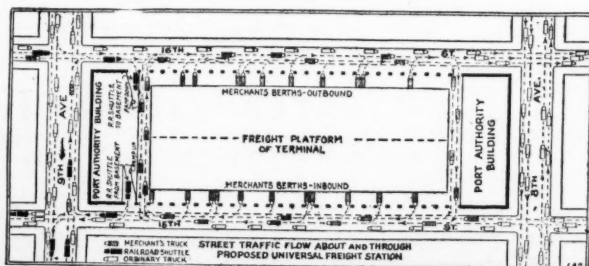
It was the Atlas Storage Warehouse

Co., Philadelphia, Walter E. Sweeting, president, which secured the contract for hauling the Philadelphia cargo from that city to Lakehurst, N. J., when the Graf Zeppelin stopped there on August 29.

Conveyance to the hangar side, where the exhibits were loaded aboard the dirigible, was made by caravan consisting of one of the Atlas company's big containing members of the Philadelphia Business Progress Association, and a vans which carried the goods; two sedans patrol of motorcycle police, to which was added a detail of New Jersey State police after the caravan had crossed into that State. The start was made from in front of the Widener Building, Philadelphia, in which are the offices of the association. Prior to the trip the exhibits had been displayed in two show windows of Strawbridge & Clothier's department store on Market Street.

United Real Estate Association, objected to the Port Authority, with its tax exempt privileges, "going into competi-

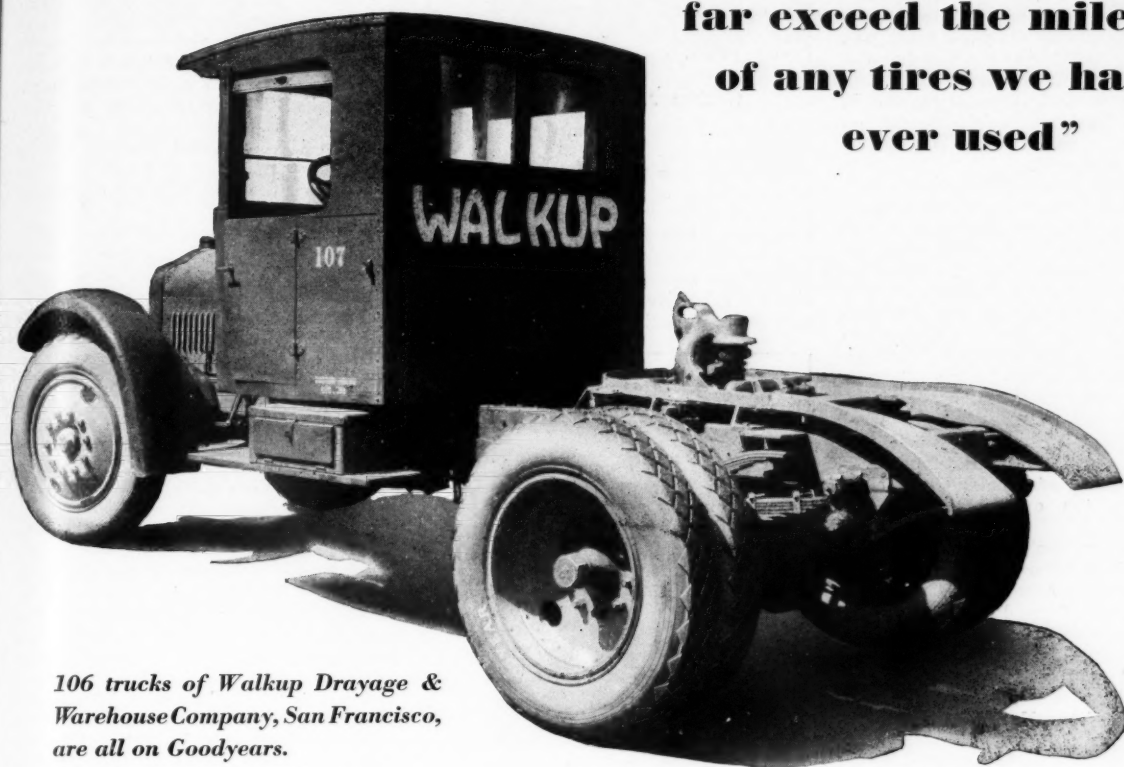
tion with private enterprise, to the disadvantage of other property owners who have to pay full taxes."



Left, New York's proposed \$15,000,000 inland freight terminal, where freight of eleven railroads would be centralized. Above, the floor plan arrangement

"GOODYEARS

far exceed the mileage
of any tires we have
ever used"



106 trucks of Walkup Drayage & Warehouse Company, San Francisco, are all on Goodyears.

RANGING from one-ton to ten-ton capacity, the 106 trucks of the Walkup Drayage & Warehouse Company operate under widely varying conditions.

So the Walkup Company uses both solid and pneumatic Goodyear Truck Tires—and, as a result of experience, uses no other make!

"The mileage, cushioning and traction given by the Goodyear pneumatic and solid tires," they write, "have far exceeded any other make of tire we have ever used. We also find the advice rendered in fitting up our trucks with the correct tire is invaluable."

Isn't that letter as fine an example as you could ask of the value of Goodyear facilities for fitting the right tire to every hauling need? . . . In intercity and interstate trucking, Goodyear All-Weather Tread Pneumatic Truck Tires offer special money-saving advantages. The exclusive

*More tons are hauled
on Goodyears than on
any other tires*

Goodyear cord material SUPERTWIST, in the body of the tire, resists the weakening action of constant flexing and road-shock. The tough sure-footed tread is made of specially compounded rubber to withstand the greater heat of high speeds.

On city streets and in suburban hauling, where speed is not a main factor, Goodyear Heavy Duty Cushions supply the needed resilience, traction and economical long wear. They are extra thick, extra tough, extra enduring. On front wheels, Goodyear Super Cushion Tires (hollow center) are frequently used, because they combine long wear with a cushioning close to that of pneumatics.

Put the problem of fitting the right tire to your hauling needs in the hands of a Goodyear Truck Tire Service Station Dealer—and on your new trucks specify Goodyears.

GOODYEAR

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WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Charles J. Bell, Washington Warehouseman, Dies at 71

CHARLES J. BELL, chairman of the Board of the Terminal Refrigerating & Warehousing Corp., Washington, D. C., and a member of the merchandise and cold storage divisions of the American Warehousemen's Association, died in St. Luke's Hospital in Washington on Oct. 1 after several months of illness. He was 71 years old.

A cousin of Alexander Graham Bell, the Washington executive was a director of almost a score of corporations and was for forty years an outstanding figure in the financial district of the national capital. He was born in Dublin, Ireland, where he was educated at Wesleyan College, and went to Canada in 1875, where for four years he was employed by the National Bank of Canada.

With his famous cousin Mr. Bell became interested in the development of the telephone and from 1880 to 1882 was general manager of the National Telephone Company of England, his chief work being the organization of exchanges.

Returning to banking, Mr. Bell went to Washington, where he organized Bell & Co. When the American Security and Trust Co., was formed, in 1889, he became vice-president, and four years later was elected president. He held this position until 1928, when he retired to become chairman of the board.

President of the Norfolk & Washington Steamship Co., Mr. Bell was chairman of the board of the Washington Railway & Electric Co., the Potomac Power and Electric Co., the Washington Market Co. and the Terminal Refrigerating & Warehousing Corp. He held directorships in various firms identified with real estate, banking, telephone, lighting and construction interests. He was president of the Washington Stock Exchange in 1890, a former president of the District of Columbia Bankers' Association, an incorporator of the American Red Cross, and a trustee of the George Washington Memorial Association, and belonged to various Washington clubs. His estate, Twin Oaks, was one of the Chevy Chase show places.

Walter Wyman Passes

Walter Wyman, secretary and operating executive of the Broadway Storage Co., Providence, R. I., died in Providence in October. He attended actively to business until a short time before his passing.

Mr. Wyman was a member of the National Furniture Warehousemen's Association and attended conventions occasionally. Those of the National's members who were present at several of the organization's summer meetings at Mackinac Island, Mich., will recall that Mr. Wyman umpired several of the inter-sectional baseball games.

Frank H. Grippen Killed

Frank H. Grippen, president of the Grippen Transfer Co., Kansas City,

Kansas, was killed in a collision on Sept. 8 while driving one of his own trucks, loaded with merchandise, on a trip to Salina. Prominent in Masonic circles. Mr. Grippen was 58 years old and had been in the transfer business about twelve years.

William J. Connors Dead

William J. Connors, nationally known in politics as "Fingy" Connors, who died at his home in Buffalo on Oct. 5, was chairman of the board of the Great Lakes Transit Corporation, which, organized by him in 1916, controls about 85 per cent of the freight and passenger steamships on the Great Lakes and including extensive warehouses, terminals and docks at various lake ports.

Albin Perky



President of the Perky Bros., Transfer & Storage Co., Kansas City, Mo., Albin Perky died, at the age of 69 years, on Sept. 14. He had been engaged in the transfer and storage business for forty-five years, having gone to Kansas City from Ohio as a young man. He was a brother of D. J. Perky, who died about two years ago. For some time prior to his passing he had not been active in the firm's affairs.

Sealing Tape Simplification

Manufacturers, distributors and users of gummed paper sealing tape met at the Congress Hotel in Chicago on Oct. 7 under the auspices of the Division of Simplified Practice of the United States Department of Commerce and approved a simplified schedule of stock sizes of such type. Subject to the approval of all interests, the recommendation is to be considered in effect on Feb. 1 next.

According to the United States Bureau of Standards the program as approved will result in a substantial reduction in the number of weights and widths of No. 1 Kraft sealing tape; the varieties retained will satisfy the normal requirements of the industry.

As soon as a sufficient number of acceptances has been received at Washington the recommendation will be printed as part of the Government's "Elimination of Waste" series.

When you ship goods to fellow warehousemen—use the Warehouse Directory.

I. C. C. Control of Aviation Is Proposed in Senate Bill

COMPLETE regulation by the Interstate Commerce Commission of interstate and foreign air commerce would be provided through enactment of a bill (S. 1880) introduced in the United States Senate by Senator Bratton, of New Mexico, on Oct. 14.

Many of the control features of the measure are similar to those now exercised by the Commission over railroads.

Senator Bratton said that the Commission should exercise its control through issuance of certificates of public convenience and necessity, and that the Commission should be authorized to govern rates and operating schedules. Furthermore the Commission would prescribe the issuing of bills of lading under which the air transport companies would be liable to the holders of the bills. As in railroad regulation mergers, consolidations and stock purchases of one company into another would be effected only with the Commission's approval.

The bill further states that "no company shall limit its liability for personal injury or death or exempt itself from such liability." In the case of indemnity bonds for the safety of passengers, however, \$10,000 is fixed as the maximum liability of the surety company.

The Interstate Commerce Commission is given the authority to participate with the Commerce Department in the duties it now enjoys of investigating the causes of all accidents and wrecks. In every case, the Secretary of Commerce is directed to furnish to the Commission a copy of the findings, which both of these agencies would be required to make public.

Meisenbach Buys a Merchandise Business

Announcement is made by K. K. Meisenbach, president of the American Transfer & Storage Co., Dallas, that he has bought the Texas Warehouse & Forwarding Co., Inc., of Dallas.

The purchase marks Mr. Meisenbach's entry into the merchandise branch of warehousing. The American firm engages largely in household goods storage.

The Texas Warehousing & Forwarding Co., Inc., was established last year and operated a merchandise and household goods warehouse, containing 75,000 sq. ft. of floor space, with offices at 2312-2324 Griffin St. The American firm has been in business since 1912. Mr. Meisenbach is a past president of the Texas Warehouse & Transfermen's Association and is identified also with the National, American, Missouri and Dallas associations.

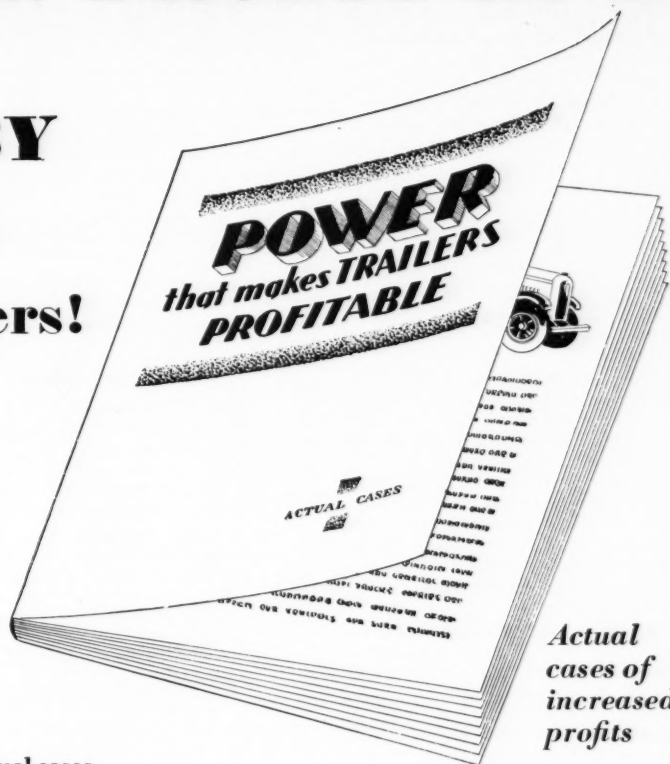
Montgomery Firm Builds

The Alabama Motor Transfer & Warehouse Co., Montgomery, is erecting a one-story reinforced concrete and steel warehouse and garage, 80 by 80 feet.

NEWS *with* PROFIT IN IT

furnished BY
Truck Users
FOR Truck Users!

FREE
 (note coupon)



Actual cases of increased profits

THIS book records results . . . gives actual cases of increased profits from truck operation by important firms. It shows plainly *how* and *why* they've found that a scientific combination of truck and trailer . . . *in certain types of haulage* . . . frequently triples the truck's ability to make money for its owner.

These fact-and-figure recitals (with photographic illustrations) have come from responsible organizations in many different lines: the Standard Oil Company of Ohio, for example, the Northwestern Terminal Company, and the Keeshin Motor Express Company of Chicago.

You'll find how other companies have successfully met haulage problems that may parallel your own.

The Way to Bigger Profits!

Clearly, simply, this book shows how you can obtain a truck-trailer combination that is precisely right in every detail: rear axle ratio, pulling power, braking system, tire equipment, weight distribution, and other factors equally important —when and if you introduce trailers into your work.

To save you time and trouble, there's a coupon below that will bring your copy without cost or obligation. The book is large—8½ x 11 inches — hence it is printed in a limited edition. We suggest that you mail the coupon now — to make sure of your copy.

You'll find it worth having, reading . . . immediately!

GENERAL MOTORS TRUCKS

GENERAL MOTORS TRUCK COMPANY, Pontiac, Mich.
 (Subsidiary of Yellow Truck & Coach Mfg. Co.)

GENERAL MOTORS TRUCKS, YELLOW CABS and COACHES.
 Factory Branches, Distributors, Dealers—in 1,500 principal cities and towns. (Time payments financed through Yellow Manufacturing Acceptance Corporation plan, at lowest available rates.)

GENERAL MOTORS TRUCK COMPANY,
 Dept. 102, Pontiac, Mich.
 Gentlemen: Please send without cost or obligation booklet containing the actual operating experiences with tractor-trailer combinations of firms in many lines of business.

Name.....

Address.....

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

I. C. C. Receives Protests in Container Car Situation

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

CONSIDERABLE criticism of Examiner Harry C. Ames' recommendations to the Interstate Commerce Commission relative to the use of steel containers for the transportation of less-than-carload freight, has been pouring into the Commission's offices here from widely different sources.

The Kansas City Chamber of Commerce does not approve container service either wholly or in part; southwestern shippers want the doors thrown wide open to allow for more less-carload volume with lower rates; and certain carriers in the Northeast want maximum rates or no service at all.

The Kansas Chamber declared, in a brief of exceptions to the Examiner's report, that he had erred in approving container service on any basis. He further erred, it was said, in approving container service to Chicago and St. Louis and not to Kansas City, and in failing to provide that the service should be open to all on an equal basis.

Explaining that the service should not be approved on any basis, the chamber asserts that "the examiner approved of the container service on the basis of third class rates on net weight of container content, etc. This, of course," it is maintained, "leaves the service to be operated by the freight forwarder and establishes the freight forwarder in a position to make the rates and establish the service to the public, while at the same time the freight forwarder is an unregulated agency and at liberty to make any rates and establish any service which he may choose, so that no shipper patronizing the freight forwarder may know whether he is on an equality with his competitor."

In connection with the examiner's approval of the service to Chicago and St. Louis and not to Kansas City, the chamber declares "the examiner recommends establishment of the service in the East but not in the West, and recommends that the service be not established for movement between Chicago and St. Louis on account of 'competitive conditions encountered in the movement between those points.'"

"If this service is to be established in the East it should by all means be established to Kansas City. Witnesses for Kansas City testified as to the competition between St. Louis and Chicago on the one hand and Kansas City on the other, stating that wholesalers in those three cities handle the same commodities, originating at the same points, and the establishment of this service to Chicago and St. Louis from the East, would place a burden on and injure receivers of freight at Kansas City.

"If competitive conditions warrant a recommendation that service be not established between Chicago and St. Louis, similar competitive conditions warrant a recommendation and finding that the

service be not established to Chicago and to St. Louis, or that the service be established to Kansas City," the chamber emphasizes.

The contention that the examiner erred in "failing to provide that container service should be open to all on an equal basis," is explained by the chamber as follows:

"After reviewing all the facts and law the examiner concludes that a forwarding company is a shipper. The forwarding company, being a shipper, must be treated the same as any other shipper. As we pointed out in our brief in this case, the railroads propose to establish a terminal facility which they will lease to the freight forwarder, who is a shipper. Other shippers and patrons of the road will not be given access to this terminal facility or any other terminal facility on equal terms with the freight forwarder; neither will any other freight forwarder be given such access on an equality.

"If a shipper wishes to use this service he must make arrangements with the freight forwarder; that is, the favored shipper who will load the goods into and out of the containers himself, at the terminal facility. If the shipper wishes to ship the containers himself, he must dray these large containers to and from the terminal facility leased to the freight forwarder, which will put him at great disadvantage as against the favored shipper.

"The freight forwarder, being a shipper, has no more right to any such preferential arrangement than any other shipper. The railroad should be required either to open its terminal facilities to all shippers so that all may handle on an equal basis with the favored freight forwarder, or the railroad should be required to deliver the containers to or transport the containers from shippers' warehouses or industries, where facilities may be established to handle containers."

An entirely different view than that taken by the Kansas City Chamber was presented to the Commission by 321 individual shippers located at Dallas, Fort Worth, Waco, Houston and San Antonio, Tex., and Wichita, Kan.

Far from contending that container service should not be put into practice, the southwestern shippers asserted that "container service in both the East and West should be approved." Exception was taken to the examiner's recommendation that the service be not permitted in the West at this time, although it should be put into effect in the East.

If the system is approved, said the shippers, "it should not be strangled at the outset with the restrictions proposed by the Examiner.

"On the contrary, a system or level of rates should be approved which would result in the maximum benefit to both carriers and shippers. The graduated scale of rates and minimum weights would make the service available to a greater number of individual shippers and attract a greater volume of less car-

(Concluded on page 60)

Holds Federal Competition Unfair to Private Industry

INCREASING competition by the Government with private industry was described by James A. Emery, general counsel for the National Industrial Council, speaking on Oct. 10 at the organization's conference, at the Hotel Roosevelt in New York.

If the Government is to compete with private citizens, he contended, it should do so on an economic parity, he contended, and should be taxed wherever its functions are proprietary rather than governmental.

Mr. Emery declared that the Government, acting as a private manufacturer, paid no taxes, carried no insurance, ignored obsolescence and met capital losses by capital appropriations. It is supported entirely by taxation, to which the citizen and particularly the industrial corporation chiefly contributes. The very sums contributed to the support of Government are, in any competitive effort, the handicap employed against the private citizen.

To meet this competition, the speaker suggested the remedy of taxation as the only way to maintain a balance which would not be injurious to the individual manufacturer.

Among the fields in which the Government is operating he listed light, power, water and transportation services.

In some States, he pointed out, the municipalities and State governments are engaged even in manufacture, banking and storage service.

New Company in Michigan

The Transit Warehouse Corp., the incorporating of which was announced in the October *Distribution and Warehousing*, plans to operate a general warehouse business, according to Fred W. Zinn, of Battle Creek, Mich., the president. The new firm is taking over the eight Zinn warehouses located in Battle Creek, Kalamazoo, Mattawan, Lawton and Dowagiac and eventually will reduce the number to two, one of which is yet to be constructed, on Springfield Place in Battle Creek.

Nicoll, III, Retires

C. B. Nicoll has retired as treasurer and manager of the United Warehouse Co., Seattle, because of a serious illness. He had been the firm's manager about twenty-seven years. Mr. Nicoll is a past president of the Washington State Warehousemen's Association.

Texas Ban on Florida Citrus

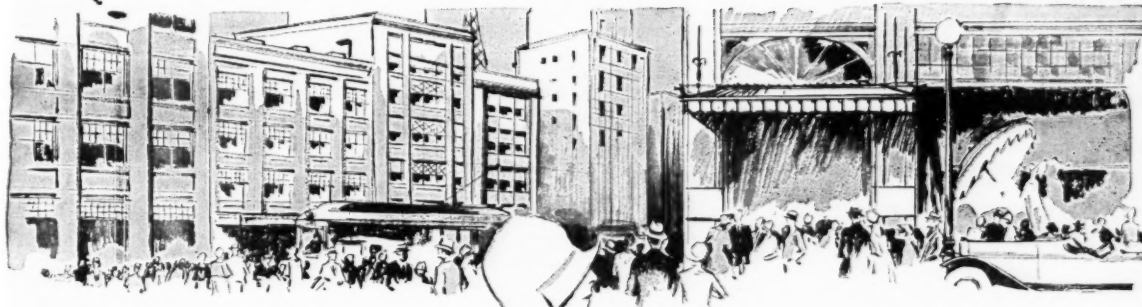
Operators of cold storage warehouses in Texas have been warned not to accept any citrus fruit from Florida. According to J. M. Delcurto of the Texas State Department of Agriculture all Florida citrus fruit found in Texas will be seized and destroyed.



*Why has
Southern
Buying Power*

TREBLED

in the past Decade?



SALESMANAGERS, watching the South only through the medium of sales, have been startled at the increase of recent years. Checking up, they have found that during the past decade Southern buying power doubled,—and then *trebled*.

What are the underlying causes that have created this rapid rise of the South as a market? What do they mean to the producers of America's goods?

The South used to be farm country, cotton country. When cotton was up, things were good. When cotton was down, things were bad. And cotton was down so often that Southern people rarely had a surplus.

Then industry discovered the section. Found tremendous economy in Anglo-Saxon labor, low taxes, plentiful and cheap raw material, low-cost power and other basic factors. Set up small experimental plants, from which huge industrial developments have grown.

Rural people went into the factory, and became skilled workers at regular wages. Southern living advantages enabled them to work for less than their Eastern and mid-Western brothers—have more left over from every pay-envelope, to spend for the things you make.

Agriculture diversified. Cotton was no longer the sole support of the farmer. Other

crops, profitable crops, began to show on the annual totals.

That is the situation today—and the South has just begun.

Your sales records may not show growth in proportion to the South's growth. If this is so, do not dismiss it with the easy explanation: "Oh, the South doesn't appreciate our kind of goods." Look at your competitors. Find out how their volume has grown in the South. And particularly, those competitors with branches in Atlanta from which to serve this territory as it must be served under modern conditions.

Then let the Atlanta Industrial Bureau make you a complete and impartial survey of conditions here as they affect your business. Let the Bureau tell you how a branch at this strategic point will enable you to get full volume out of the South under modern, hand-to-mouth buying conditions.



Send for this Booklet!
It contains the fundamental facts about Atlanta as a location for your Southern branch.

This data will come to you entirely without charge or obligation, and in the strictest confidence, if you will write

INDUSTRIAL BUREAU, CHAMBER OF COMMERCE
985 Chamber of Commerce Building

ATLANTA

Industrial Headquarters of the South



I. C. C. Receives Protests in Container Car Situation

(Concluded from page 58)

load traffic to the service," it was emphasized.

"The establishment of the proposed third class would exclude all commodities rated fourth class less carload and certainly a substantial portion of commodities rated third class, and the proposed minimum carload rate rule would automatically eliminate a substantial portion of other less carload traffic which would otherwise be attracted to the container service.

"The rule we here propose would eliminate one of the features found objectionable by the examiner and would attract the greatest maximum volume of traffic, and thereby effect the maximum saving to both carriers and shippers."

Still another view on the situation was submitted to the Commission by railroads operating in the New England and Middle Atlantic States, namely, the Boston & Maine; Delaware, Lackawanna & Western; Erie; and the New York, New Haven & Hartford.

"First of all," said the carriers, "it would seem clear that the full measure of maximum reasonable rates should be charged this superior form of service performed largely for a class of traffic where the measure of the rate is not generally important."

This stand is in direct conflict with that of the southwestern shippers who desire the lowest possible charges so as to bring in more less carload traffic.

"Secondly," said the railroads, "shippers concede that they have been attracted by the quality of the service, and will pay the full measure of class rates. The examiner feels, however, that these circumstances are outweighed by two considerations: (a) that if container traffic is rated at second class or higher it is entitled to a concession in rates, because it results in certain economies to the railroad, although no concession on that account is to be made to container traffic rated at third class or lower; and (b) that certain economies in billing expense cannot be realized unless a flat rate is charged.

"It is submitted that the latter objection can be readily overcome, and that the general saving in expense incident to container operation of itself warrants no concession in rates.

"Over and above all," continued the carriers, "and of greater significance than the economy in operation is the principle that a higher, and not a lower, rate should be charged for a more valuable service.

"The rates proposed by the examiner would mutilate classification relationships beyond recognition, and create flagrant discriminations. If these are necessary to a continuance of container operation, its continuance will be bought at a very dear price.

"We expect the Commission will annul it. Respect for long-established principles of rate-making and the rights of

shippers generally will not permit any special concessions to those interested in the promotion of this service, and no such concessions are necessary."

—Michael M. McNamee, Jr.

Bethlehem Firm Insolvent

A petition in involuntary bankruptcy was filed in the United States District Court in Philadelphia on Sept. 27 against the Lehigh & New England Terminal Warehouse Co., Bethlehem, Pa., by three creditors whose claims approximate \$260,000.

The suit followed action taken by the company's board of directors admitting the firm's insolvency.

Established in 1925, the company had operated a merchandise, household goods and cold storage business at 15th Avenue and Gary Street.

For Sale

ONE of the largest and most prosperous household goods, moving and storage concerns in Columbus, Ohio.

Owner forced to sell on account of ill health.

Terms if desired. All replies strictly confidential.

Address Box A-213, Care of
Distribution and Warehousing, 249
West 39th Street, New York City.

Memphis Municipal Leases Plant to Waterways Corporation

Announcement is made by A. S. Castle, manager of the Municipal River-Rail Terminals and Warehouses, Memphis, Tenn., that the Municipal has leased its entire plant to the United States War Department's Inland Waterways Corporation, effective Oct. 1.

The Municipal was established in 1902, was owned by the city and was operated under the direction of the River Terminal Commission. It was engaged in merchandise storage and distribution and was a member of the Memphis Warehousemen's Association.

Redman Heads Air Line

B. F. Redman, president of the Redman Fireproof Storage Co., Salt Lake City, has been elected president of the Seagull Airlines, Inc. Mr. Redman is one of the city's pioneer air transportation advocates.

Keenan Leads Fund Campaign

James F. Keenan, president of the Haugh & Keenan Transfer & Storage Co., Pittsburgh, and president of the National Furniture Warehousemen's Association, has been made chairman of the executive committee which is appealing for a fund of \$300,000 to erect a nurses' home for the Pittsburgh Hospital.

Caldwell and Union Terminal Are Consolidated in Tampa

CONSOLIDATION of the Caldwell Bonded Warehouse, Inc., with the Tampa Union Terminal Co., both in Tampa, Fla., was announced on Oct. 8 by Clyde Perry, president of the terminal interests.

The merger brings together two Government-bonded plants. The Caldwell firm, a member of the American Chain of Warehouses, was established in 1927 as a continuation of the United States Bonded Warehouse Co. which Frank C. Caldwell purchased in 1925. Mr. Caldwell has become affiliated with the executive personnel of the Tampa Union Terminal and will continue his personal contact with the cigar trade. All shipments of imported tobacco and sugar consigned to the Caldwell warehouse after Oct. 15 went to the Union terminal, and goods already in bond at the Caldwell plant were transferred to the Union Terminal before Oct. 31.

The Union Terminal has one of the most modern refrigeration plants in the South. It was built at a cost exceeding \$3,000,000, and was completed this year. The firm was established in 1928.

The transfer business of the Caldwell company was not included in the consolidation and will be operated independently under the supervision of Collins F. McKinnon.

Cotter Buys Akron Bank Building

The Cotter Warehouses, Inc., Akron, Ohio, has purchased the property and building of the National Bank of Cleveland, at East Mill and College Streets, Akron, it was announced by W. Lee Cotter on Oct. 9.

The building will be remodeled for warehousing purposes. Mothproof rooms for storage of apparel, carpets, rugs and mohair furniture will be installed, together with machinery for cleaning and protecting furniture, the improvements to be completed by Jan. 1.

Scully Firm Builds

The Scully Transfer & Storage Co., Niles Center, Ill., has begun construction of a fireproof four-story reinforced concrete warehouse on a site 80 by 50 feet on Cicero Avenue. The structure will be similar to that of the McCarthy Storage Co. of Chicago.

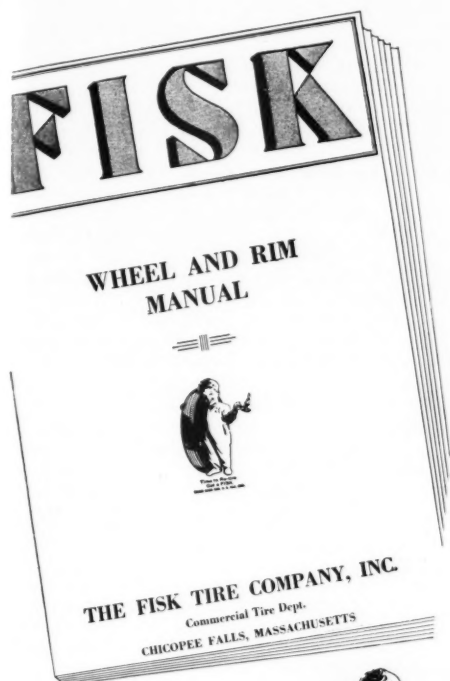
New York's Moving Day

According to gas company officers and postal officials in New York the October First shift of population was the greatest in the city's history. They estimated that half a million people changed homes.

Carpenter Heads Committee

B. P. Carpenter, of the Crescent Wharf & Warehouse Co., San Diego, has been appointed chairman of the industrial relations committee of the San Diego Marine Service Bureau.

You *must* have this up-to-date information to solve your new problems!



YOU can cut costs and increase your profits per operation; there are inexpensive ways of adapting present equipment to meet new operating requirements—and the very information you need most is in one new book, the "Fisk Wheel and Rim Manual."

This information was originally gathered at the special request of a number of truck and bus fleet executives. Now, we make it available without charge to all men in charge of truck and bus fleet operations who write on their own letterhead. No obligation is involved.

An expert analysis of your particular equipment needs will be made by our Engineering staff, if you wish, without charge or obligation. Tell us if we can help.

THE FISK TIRE COMPANY, INC.
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FISK

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Construction, Removals, Purchases and Changes

Alabama

BRENT—People's Warehouse & Storage Co. is planning to rebuild, at a cost of \$25,000, its two-story warehouse recently wrecked by fire.

Gadsden—Coosa River Transportation Co. is planning construction of a \$45,000 storage warehouse.

Montgomery—Alabama Motor Transfer & Warehouse Co. has filed plans for a \$25,000 one-story warehouse, 80 by 85 feet, on North Perry Street, with a larger unit to be erected later.

Arkansas

Fayetteville—Washington Transfer Co. will occupy, under lease, for warehouse and transfer service, a \$30,000 one-story building, 100 by 150 feet, to be erected on Southeast Street.

California

Castroville—Salinas Cold Storage Co. Monterey, has plans for a \$200,000 cold storage warehouse.

Huntington Park—Huntington Park & Los Angeles Transfer Co. has been sold to Nelson Benedict and Edgar Brown.

Los Angeles—Pioneer Truck & Transfer Co. has taken out a permit for a \$100,000 two-story reinforced concrete warehouse, 115 by 160 feet, at 1910 Bay Street.

Colorado

Rocky Ford—Santa Fe Railroad Co. has plans for a \$30,000 one-story warehouse and freight station.

Florida

Lake Wales—Southern Securities Utility Co., Jacksonville, has approved plans for a \$75,000 cold storage warehouse and ice plant.

Illinois

Chicago—Werner Brothers Fireproof Storage Co. has filed notice of change of company name to the Werner Bros.-Kennelly Co., at the same time increasing its capital stock to \$350,000 from \$250,000.

Indiana

Indianapolis—Universal Carloading & Distributing Co. (Delaware) has filed an affidavit designating H. R. Bush as Indiana agent.

Iowa

Cedar Rapids—Chicago, Milwaukee, St. Paul & Pacific Railroad Co. has approved plans for a \$45,000 addition to its warehouse and freight building.

Maryland

Baltimore—Broadway Storage Co., Inc., has arranged for rebuilding, at an estimated cost of \$100,000, its five-story warehouse recently wrecked by fire.

Baltimore—Canton Railroad Co. is planning erection of a \$25,000 one-story warehouse on Newgate Avenue.

Michigan

Detroit—John A. Kronk, head of Kronk's Savings Bank, is developing plans for a \$6,000,000 cold storage warehouse, twelve stories, 390 by 476 feet, in connection with a public market on

Michigan Avenue, Dearborn. It is purposed to organize a company to carry out the project.

St. Joseph—Twin City Storage Co. has awarded a contract for a \$35,000 two-story warehouse.

Minnesota

Minneapolis—Northwestern Terminal Co. has filed plans for a \$40,000 warehouse at 2825 East Hennepin Avenue.

Mississippi

Crystal Springs—Southern United Ice Co. is rebuilding its cold storage warehouse and ice plant recently wrecked by fire with a reported loss of \$40,000.

Missouri

St. Louis—Luecking Teaming Co. has filed plans for a \$24,000 one-story warehouse, 66 by 128 feet, to be used in part for garage service.

Nebraska

Hastings—Hastings Warehouse & Storage Co. is having plans drawn for a \$40,000 two-story warehouse, 40 by 130 feet.

New Jersey

Elizabeth—Bayway Terminal has preliminary plans for a \$180,000 five-story and basement warehouse at 651-671 South Front Street.

New York

Long Island City—Long Island Haulage Corporation has leased a building at 374-376 Water Street, New York City, for warehouse service and headquarters.

North Carolina

Durham—Big Bull Warehouse, operated by B. B. Bowles and associates, is considering rebuilding that portion of its plan recently wrecked by fire with an estimated loss of \$40,000.

Raleigh—Seaboard Air Line Railway Co. has plans for a \$32,000 one-story warehouse.

Ohio

Cleveland—Cleveland Union Terminal Co. has awarded a contract for a \$300,000 group of twenty-one one-story warehouse and yard buildings.

Dayton—Pennsylvania Railroad Co. has filed plans for a \$100,000 terminal warehouse and freight station at Longworth and Washington Streets.

Youngstown—Ice & Fuel Co. is completing plans for a \$200,000 two-story cold storage warehouse and ice plant, 80 by 165 feet.

Oklahoma

Mangum—Crystal Ice Co. has plans for an \$80,000 cold storage warehouse and ice plant.

Tulsa—Joe Hodges Fireproof Warehouses have received permission to operate a motor freight line from Tulsa to Oklahoma City by way of Guthrie.

Pennsylvania

Harrisburg—Pennsylvania Railroad Co. has changed plans for its proposed warehouse and freight terminal at Second and Mulberry Streets. The structure will stand six stories and cost \$175,000.

Philadelphia—National Freight Co. has filed notice of increase in capital

(Concluded on page 64)

New Incorporations Within the Industry

California

BEAUMONT—Beaumont Fruit Co., Inc., has applied for a certificate of public convenience and necessity to operate a public utility cold storage warehouse.

Los Angeles—Amos Moving & Storage Co. Storage warehouse and van service. Capital, \$75,000. Incorporators, Edgar W. Amos and A. M. Amos.

Los Angeles—Deeble Motors, Ltd. Freight transportation. Capital, \$500,000. Incorporators, Roy E. Deeble and L. F. Lingle.

Illinois

Chicago—Consolidated Motor Freight Terminal, Inc. Storage warehouse and freight terminal. Capital, \$25,000. Incorporators, Benedict E. Johnson, Walter S. Nixon and Samuel J. Pagoria.

Chicago—Fernstrom Cartage & Van Co. Capital, \$10,000. Incorporators, Victor Bystrom and Willis E. Thorne.

Chicago—Inter-Terminal Cartage Co. Capital, \$20,000 in common stock. Incorporators, R. F. Delano, Helen G. Lowther and Reginald C. Wyer.

Quincy—L. D. Transfer Corp. Capital, \$10,000. Incorporators, Morris Adler, L. C. Bibb and Lafayette Dilts.

Indiana

Vincennes—Stable Storage, Inc. Storage of general merchandise, potatoes and produce. Capitalization, 100 shares of \$10 par value stock. Incorporators, C. C. Winkler, Clarence Deem and R. F. Lang.

Louisiana

New Orleans—Republic Ice Manufacturing Co. Cold storage warehouses and ice plants. Chartered to consolidate firm of same name and the Vivian Ice Manufacturing Co.

Michigan

Battle Creek—Transit Warehouse Corporation. Capitalization, 10,000 shares of no par value common stock, of which 8733 were subscribed, and 1000 shares of preferred stock at \$100 a share. Fred Zinn is president, Douglas Croyden is general manager, G. A. Misner is traffic manager, D. A. Zinn is secretary and J. A. Murton is treasurer.

Ironwood—Commercial Warehouse Co. Storage warehousing. Capital, \$10,000. Incorporators, G. C. Persons of Kimball, Wis., and Thomas Robbins and Fenton J. Manning of Ironwood.

New Jersey

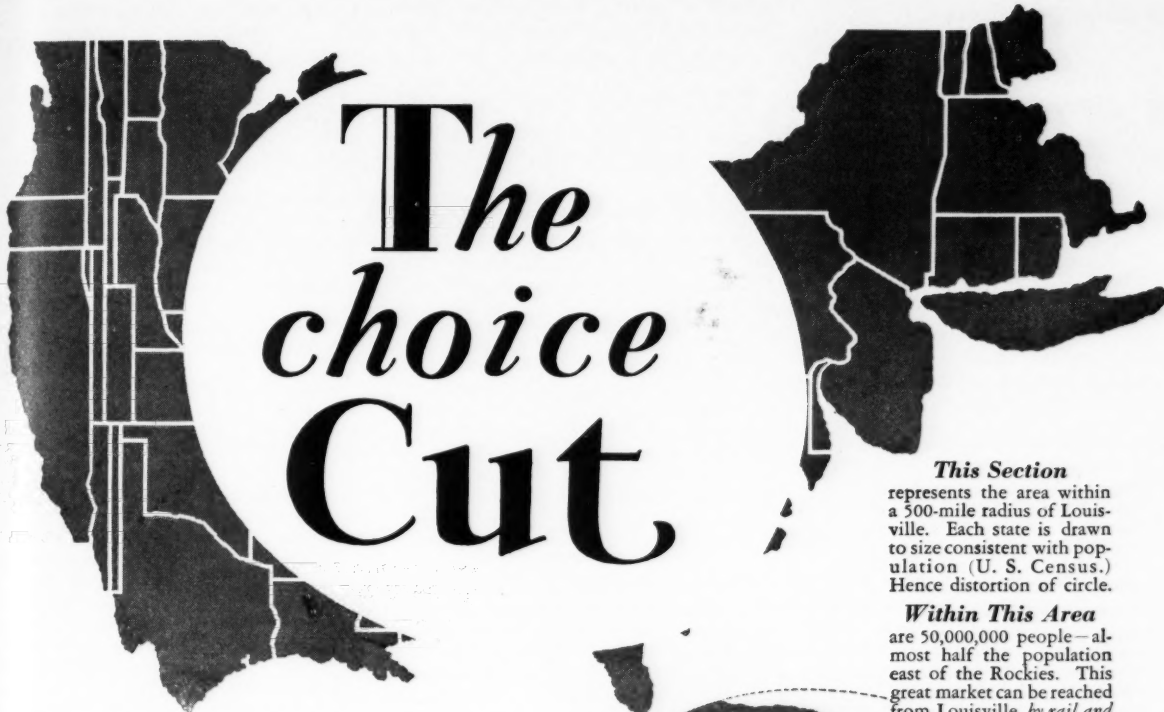
Passaic—Dave Levine, Inc. Storage warehousing. Capital, 1000 shares of no par value stock. Incorporators, Bernard Levine and Dave Levine.

New York

Buffalo—O. J. Glenn & Son, Inc. Trucking and express. Capital, \$10,000. Identified with O. J. Glenn & Son, in business since 1879.

Hudson—Muldowney's Storage & Ser-

(Concluded on page 64)



The choice Cut

Competition, with its increasing response to hand-to-mouth buying, is forcing the manufacturer into active defense.

To satisfy the insistent consumer demand for quicker shipments and reduced inventories, establishment of branch plants is the logical first step.

Get the FACTS About Louisville

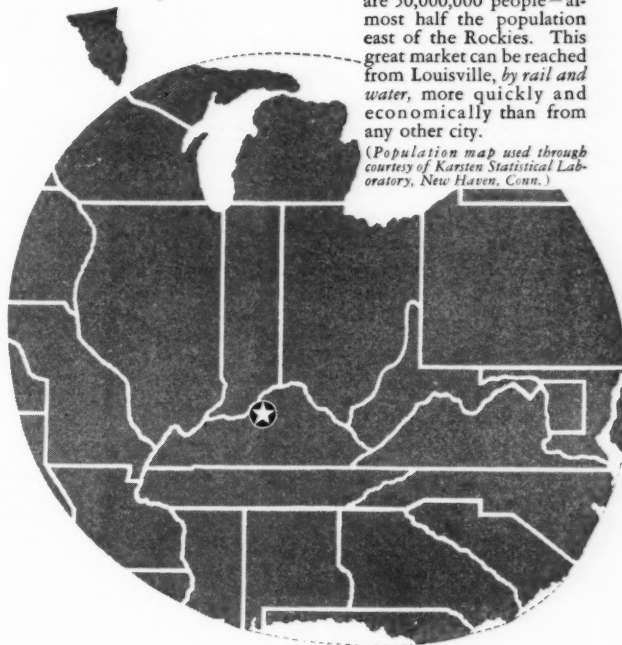
To the manufacturer whose balance sheet reflects the inroads of competition, Louisville offers a unique combination of economies in *both manufacture and distribution*—economies proven by savings of from 12 to 20 per cent.

In the heart of a region proverbially rich in raw materials, Louisville combines economical accessibility to the choice cut of American markets with the low-cost-production facilities of the South. . . Eight trunk-line railroads augmented by the inland waterways system just modernized at a cost of \$125,000,000. . . Intelligent, dependable, American-born labor.

This Section
represents the area within a 500-mile radius of Louisville. Each state is drawn to size consistent with population (U. S. Census.) Hence distortion of circle.

Within This Area
are 50,000,000 people—almost half the population east of the Rockies. This great market can be reached from Louisville, by rail and water, more quickly and economically than from any other city.

(Population map used through courtesy of Karsten Statistical Laboratory, New Haven, Conn.)



To the interested executive, the Louisville Industrial Foundation—a non-profit organization—will furnish detailed data on: Shipping costs, prevailing wage scales, power rates, real estate values, tax exemptions, etc. Strict confidence. No obligation.

LOUISVILLE INDUSTRIAL FOUNDATION

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LOUISVILLE

CENTER OF AMERICAN MARKETS

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

New Incorporations Within the Industry

(Concluded from page 62)

vice Corporation. Warehousing. Capital, 200 shares of no par value stock.

New York City—Caroline Moving & Express Vans, Inc. Capital, \$5,000.

New York City—Consolidated Vans, Inc. Van service and transfer. Capital, \$5,000. Incorporator, H. E. Spitz.

New York City—Lehigh Harlem River Terminal Warehouse, Inc. Warehousing and storage. Capital, 100 shares of no par value stock.

New York City—Plaza Moving Co. Capital, \$2,500. Incorporator, M. H. Rosenberg.

North Carolina

Tarboro—Warehouse Storage Co., Inc. Authorized capital, \$25,000, of which \$3,600 has been subscribed by Henry C. Bridgers, W. J. Thigpen, W. G. Clark and others.

Ohio

Canton—Cyler Motor Transit Co. Capital, 250 shares of no par value stock. Incorporators, Russell H. Nack, Albert B. Arbaugh and Donald K. Merwin.

Cleveland—Fisk Transportation Co. General transfers and haulage business. Capital, 100 shares of no par value stock.

Cleveland—Inland Forwarding Co. General storage, transfer and forwarding business. Capital, 250 shares of no par value stock. Incorporators, Thomas C. Robinson, J. Harold Traverse and Nellie G. Rodman.

Dayton—Allen & Leslie Jones Transfer Co. Capital, 250 shares of no par value stock. Incorporators, Allen Jones, Leslie Jones and Garfield Jones.

Ripley—Germann Bros. Motor Transportation Co. Transfer and haulage business. Capital, \$50,000. Incorporators, F. O. Germann, A. J. Kirsckaddon and D. H. Armstrong.

Oklahoma

Tulsa—Tulsa Refrigeration Co. Cold storage warehouse and refrigerating plant. Capital, \$50,000. D. Vensel heads the company.

Pennsylvania

Philadelphia—Roosevelt Storage & Warehouse Co. Storage warehousing. Capital, 1000 shares of no par value stock.

Philadelphia—Washington Cement Warehouse Co. General warehousing. Capital, 200 shares of no par value stock.

Tennessee

Dyersburg—West Tennessee Warehouse Corporation. Capitalization, \$1,000. Incorporators, R. H. Wheeler, J. C. Merriman and Ladd J. Lewis.

Memphis—Commercial Storage Co. Storage and warehouse business. Capital, 100 shares of common stock, par value \$100 a share.

Nashville—Pickwick-Greyhound Lines of Tennessee, Inc. Business to include transportation of merchandise by motor trucks and airplanes. Capital stock,

\$10,000. Incorporators, Gene Allen, Roger Stanley, L. Folts and Lake Hays.

Texas

Waxahachie—Fidelity Bonded Warehouse & Storage Co. Storage warehouse. Capital, \$100,000. Incorporators, B. E. Taylor, Richard Gill and John A. Roetzel.

Johnston Company Expands

The Johnston Storage Co., Ltd., and the National Cartage & Warehousing Co., Ltd., Vancouver, B. C., both operated by Elmer Johnston, now have been given a joint name—the Johnston National Storage Limited, with Mr. Johnston as president.

The first has sold its Hamilton St. warehouse, containing 42,000 sq. ft., and has acquired, at Richards and Pacific Streets, a warehouse to which two stories will be added. The first is offering stock participation.

Lancaster Firm to Build

The Lancaster Storage Co., Lancaster, Pa., is planning construction of a six-story unit, 35 by 65 ft., in the rear of its general office at 342 North Queen St., to be devoted to household goods room storage exclusively. Of cement and steel, the addition will be sprinklered and a demoting arrangement will be installed. The structure will be ready for occupancy early in 1930.

Petition Against Hulet Firm

An involuntary petition in bankruptcy was filed against the Hulet Brothers Storage & Moving Co., Kansas City, on Sept. 26, by the Knox Furniture Manufacturing Co., the Kline Vacuum Cleaner Co., and William Hahn, the latter doing business as the Jones Mattress Co.

Adams Company Expands

The Adams Transfer & Storage Co., Kansas City, has under way a program of expansion and rearrangement of facilities. Under consideration is the construction of a six-story fireproof warehouse on a 100-foot site on West 5th St.

Meanwhile the company is erecting a dock building, 243 by 110 ft.; a stable, 50 by 175 ft.; and a garage, 116 by 60 ft.

Richards Organizes Furniture Firm

Glendon A. Richards, president of the Richards Storage Corp., operating warehouses in Grand Rapids, Kalamazoo and Muskegon, Mich., has incorporated the Richards Warehouse Furniture Co., of which he is president. Of the \$50,000 authorized capitalization, \$35,000 has been paid in by transfer of stock from the Richards Storage Corp.

The new firm will deal in home and office furniture and automobiles and accessories, principally in Muskegon. The secretary and treasurer is B. C. Hubbard, general manager of the Richards Storage Corp.

Construction, Removals, Purchases and Changes

(Concluded from page 62)

stock to 500,000 from 100,000 shares of no par value stock.

Philadelphia—Schuylkill Warehouse Co. has awarded a contract for a \$60,000 two-story warehouse at Jackson and Swanson Streets.

Pittsburgh—Union Storage Co. is planning expenditure of about \$85,000 extending and improving its cold storage warehouse at Second Avenue and Liberty Street.

South Dakota

Sioux Falls—Wilson Transportation Co. engaged in inter-city motor freight hauling, has filed plans for a \$200,000 two-story and basement warehouse, 126 by 275 feet, at Reed Avenue and Eighth Street.

Texas

Alvarado—Alvarado Warehouse Co. has decreased its capital stock to \$3,460 from \$4,000.

Beaumont—Beaumont Freight Lines, Inc., has secured permission from the State Railroad Commission to operate from Beaumont to Houston and from Houston to Port Arthur.

Bonham—Bonham Compress & Warehouse Co. has arranged for an increase in capital stock to \$38,000 from \$29,000.

Eddy—Eddy Warehouse & Storage Co. has decreased its capital stock to \$1,787 from \$2,000.

Fort Worth—Texas & Pacific Railway Co. will complete plans for a \$400,000 eight-story warehouse and freight terminal comprising two units, 100 by 700 feet and 100 by 600 feet.

San Antonio—Scobey Fireproof Storage Co. is taking bids on two four-story warehouses, one for merchandise storage, 90 by 180 feet, to cost \$300,000, and the other for cold storage, 130 by 140 feet, to cost \$200,000 with equipment.

Shamrock—Union Compress & Warehouse Co. has filed plans for extensions and improvements to cost \$50,000.

Washington

Bellingham—Municipal Port Commission has plans under way for a \$25,000 warehouse at the municipal dock.

Toppenish—Northern Pacific Railroad Co. is having plans completed for a \$40,000 warehouse and freight building, one-story, 26 by 131 feet.

Wisconsin

Milwaukee—Milwaukee Electric Railway & Light Co. has plans for a \$300,000 eight-story warehouse and express and office building on St. Paul Avenue near Ninth Street.

New Plant for Harlingen, Tex.

The Central Power & Light Co., San Antonio, will construct in Harlingen a three-story reinforced concrete cold storage warehouse, 70 by 154 feet, with capacity of 100 carloads.

There's not another book like the annual Warehouse Directory. It lists all the reliable warehouse firms in the United States and Canada. Consult it—and benefit.